



Daily Report

East Europe

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Monday
16 August 1993

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NATO 'Not Convinced' Time Right for Air Strikes

AU1308155193 Paris AFP in English 1358 GMT
13 Aug 93

[Text] Brussels, Aug 13 (AFP)—NATO's threat to launch air strikes against Serbian forces in Bosnia-Herzegovina remained in suspension Friday [13 August] amid uncertainty surrounding Serbian troop movements and peace talks in Geneva.

Diplomats at North Atlantic Treaty Organisation (NATO) headquarters said the alliance remained determined to brandish the air-strike threat, but were not convinced the time was right to carry it out.

They were speaking after a meeting of officials from NATO's 16 countries to assess the momentum towards air strikes on Serb forces around the Bosnian capital of Sarajevo.

"We're in the monitoring mode. We're watching the situation day-to-day, hour-by-hour," one NATO diplomat said after the meeting, asking not to be identified. Another said: "The screw is tightening on the Serbs."

But a spokesman for a third NATO country warned: "There is a tremendous level of uncertainty. But the situation (around Sarajevo) is not deteriorating. It is relatively calm."

"There was no sense (at Friday's meeting) that air strikes are in the offing unless the situation drastically reverses itself," the spokesman said. All the diplomats spoke on condition that they not be identified by name or country.

UN forces chief of staff in Bosnia, British General Vere Hayes was spending Friday touring Serb positions on the mountains over Sarajevo with a Serb general in a bid to reach agreement with all parties on the withdrawal, UN spokesman Barry Frewer said in Sarajevo.

The United Nations reported Friday that the Serb forces had halted their agreed withdrawal from the two mountains and that lack of agreement over exact pullout positions had led to an impasse. Peace talks in Geneva are suspended until Monday.

One senior NATO diplomat said: "It seems to me the outcome is still in the balance. It depends on the weight of public opinion over the next two or three days, the peace talks in Geneva and the situation on the ground in Bosnia."

He added: "It is clear to me there is growing public pressure for stronger action in Bosnia."

In Sarajevo, Serbian troops suspended their withdrawal from strategic heights controlling access to Sarajevo.

UN officials said efforts to get them off Mounts Igman and Bjelasnica were at an impasse because of differences over the extent of the withdrawal and their replacement by UN troops.

And in Geneva, the stalled peace talks were suspended until Monday afternoon, with Moslem Bosnian President Alija Izetbegovic threatening to continue his boycott if the Serb withdrawal was not rapidly completed.

Last Monday NATO agreed to a U.S. initiative for threatened air strikes against the Serbs unless they lifted their siege of Sarajevo and other Moslem areas.

But the alliance accepted the insistence of some members, particularly countries contributing to UN forces in Bosnia, that any first strike must be endorsed by UN Secretary-General Butrus Butrus-Ghali.

The NATO council has endorsed a limited but gradually-escalating programme for air attacks—first on artillery positions, then if necessary on command centres and ammunition and fuel depots.

UN diplomats in New York said the means for launching the air attacks, such as missile guidance measures, would be in place by Monday.

The UN secretary-general has until now been considered reluctant to authorise the air attacks for fear of provoking retaliation against UNPROFOR forces in Bosnia.

But there has been growing pressure on him to change his mind, including a call Thursday by the 51-nation Organisation of the Islamic Conference that he should authorise immediate air attacks on the Serbs.

The spokesman of the Islamic bloc, Pakistani Foreign Minister Abdul Sattar, said: "We urge the secretary-general not to flinch from this decision which now appears to be inevitable."

Karadzic Denies Interview; Reporter Receives Death Threats

AU1408131493 Vienna DER STANDARD in German
14-15 Aug 93 p 3

[Unattributed report: "The Many Denials of Dr. Radovan Karadzic"]

[Text] Vienna—On Thursday, 12 August, DER STANDARD correspondent Branimir Brljevic sent our editorial office a fax, announcing an interview with Radovan Karadzic. Among other things, the fax said: "Karadzic is in the villa of a publisher in Geneva. I recently talked to him in Geneva and just an hour ago, I had a telephone conversation with him. It was a tough talk, but that is understandable. I could take greater liberties with him because he knows me from his time at the university as an 'enfant terrible writer.' Are you interested?"

Brljevic works for several Austrian and foreign dailies, as well as the Zagreb weekly GLOBUS. DER STANDARD has published Brljevic's interviews with Bosnian Foreign Minister Haris Silajdzic, Lord Owen, Bosnian Vice President Ejup Ganic, and President Alija Izetbegovic.

We received the interview on Thursday afternoon. After calling Brljevic back, who confirmed that he had recorded the interview on tape, DER STANDARD published the most important passages of the interview in its evening edition and sent the text to the Austrian Press Agency, APA.

Karadzic's first denial did not take long to arrive: The interview is a "complete fabrication." Another call to Brljevic revealed that he had talked to Karadzic not only once but several times. The latest talk, which he offered as an interview, was conducted by him from Zagreb and was recorded on tape. We asked him to send us the tape.

Shortly after 2200, Karadzic retracted half of his first denial: "A long time ago" he gave an interview to DER STANDARD, but he had never threatened to use nuclear weapons. Confronted with that, Brljevic faxed us an article from the Croatian weekly GLOBUS, where Karadzic had earlier threatened to use nuclear weapons on 8 January.

It is certainly part of his policy to withdraw threats after the event: At the beginning of March, Karadzic threatened the United States with terrorist attacks, which he announced in an open letter to THE NEW YORK TIMES. Shortly afterwards, he modified his statements. His military "alter ego," General Ratko Mladic, told REUTER news agency on 17 May: "If they (the West—the editor) bomb me, I will bomb London." On the same day, Karadzic apologized for Mladic.

After Karadzic's second denial, DER STANDARD sent a brief clarification, together with a copy of the GLOBUS article, to APA. Brljevic has gone underground since Friday—in the morning we received the first death threat against him.

Izetbegovic Allegedly Demands 40 Percent of Territory

AU1508195493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 15 Aug 93

[Report by Dusan Cukic]

[Text] The establishment of a union comprised of three states is no longer controversial. Now the details of the maps are taking precedence, therefore, the final partition of the former Bosnia-Herzegovina. There are almost no controversial issues in this respect between the Croats and the Serbs. However, Izetbegovic is demanding almost as much as 40 percent of the territory. This will be the main controversial issue because the Muslims, with the 30-percent bequeathed them, have acquired almost twice as much as they currently hold.

This part of the negotiations will, of course, be more difficult than Izetbegovic's announcement that he is proposing—to quote him—the lifting of the Sarajevo siege, halting of military operations, free passage for humanitarian convoys during the negotiations in Geneva, the placing of Serb heavy weaponry under

international control, and the opening of roadways. The collocutors have had nothing against the majority of these requests in the past, which means that Izetbegovic is once again charging at an open door, so to speak.

Despite their sympathy, reporters here cannot miss the extreme fundamentalists in the very center of Geneva—most of them either paid or talked into providing their services—who are besieging the seat of the international organization. The Palace of Nations, surrounded by barbed wire and special forces' units, now resembles a concentration camp. This atmosphere should not be underestimated and it confirms the degree of sincerity and goodwill for establishing peace.

Izetbegovic tells journalists: If the war goes on, Bosnia-Herzegovina will disappear. Should not the war be stopped then? That is what Geneva is for.

Izetbegovic Accepts Division

AU1508142193 Paris AFP in English 1050 GMT 15 Aug 93

[Report By Jean-Michel Stoullig]

[Text] Geneva, Aug 15 (AFP)—Sunday's [15 August] ongoing withdrawal of Serb forces from the strategic heights outside Sarajevo has opened the way for a resumption of peace talks here Monday.

Bosnian President Alija Izetbegovic, in an interview broadcast on Sarajevo radio, said he thought "the Geneva talks would resume on Monday," adding that his government now had "no other choice" but to accept a partition of Bosnia-Herzegovina along ethnic lines.

Redrawing the map of Bosnia to create three mini-states for warring Moslems, Croats and Serbs will be the key issue at the U.N.-E.C.-brokered talks and, according to the peace mediators, the last hope for ending the brutal 15-month war in the former Yugoslav republic.

While blaming the West "imposing" partition on Bosnia, Izetbegovic said the only alternative to partition was continuing the war—the worst of two evils.

"We accept it (ethnic partition) or we must fight to the end....Bosnia needs peace," he said.

Once they resume, the four-week-old talks are expected to last several weeks more with the thorniest issues being the future status of Sarajevo and of the Moslem enclaves in eastern Bosnia besieged by the Serbs.

Izetbegovic maintains "if the maps are not fair, nothing will be signed," claiming that a 30 percent share of Bosnia, already promised by Serbs and Croats is insufficient for the Moslem community.

The Moslem leader demands an economically viable area for his 2.5 million people with access, notably to the sea, and diplomatic sources here said peace conference co-chairmen, Lord Owen and Thorvald Stoltenberg, sympathized with this concern.

The Moslems want Sarajevo to remain multi-ethnic and undivided, but Radovan Karadzic, the Serb leader, told AFP Friday he thought that while the Moslems should keep the heart of the city, the Serbs should have the outlying areas.

Two earlier peace plans for Bosnia have failed.

The "Cuteleiro Plan"—brokered by a Portuguese diplomat in spring 1992 envisaged the division of Bosnia into cantons. This was rejected by Izetbegovic.

A second plan, known as the "Vance-Owen" initiative, and put forward last winter, had called for the creation of 10 provinces in Bosnia. But this was rejected by the Serbs in May.

Diplomatic sources interpreted Izetbegovic's readiness to return to the negotiating table as scepticism that the green light would ever be given for threatened North Atlantic Treaty Organisation (NATO) air strikes against Serb positions.

Furthermore, observers agreed that the Moslems—especially in the besieged capital Sarajevo—were desperate for humanitarian aid and would not survive another winter.

Since August 1st, Izetbegovic has refused to return to negotiations unless the Serbs withdrew from Mount Igman and Mount Bjelasnica overlooking the southwestern approaches to Sarajevo.

The withdrawal, many times put off, was finally almost completed Sunday at noon and U.N. Protection Force (UNPROFOR) spokesman Barry Frewer said 250 U.N. soldiers were now patrolling the buffer zone between Serbs and the mainly Moslem Bosnian Army.

"Based on our patrols and monitoring we consider the withdrawal as a success," Frewer said.

Talks To Resume 16 Aug

AU1508192593 Paris AFP in English 1902 GMT
15 Aug 93

[Excerpt] Geneva, Aug 15 (AFP)—Representatives of Bosnia-Herzegovina's three warring parties have been invited to resume peace talks here Monday afternoon [16 August], the spokesman for the two conference co-chairmen announced.

Speaking to journalists Sunday, John Mills said: "The co-chairmen impressed on the parties to negotiate honestly on the outstanding areas in order to bring the Bosnia-Herzegovina conflict to an end."

Mills said the chairmen, Lord Owen for the European Community and Thorvald Stoltenberg for the United Nations, issued the invitations after hearing from the U.N. military in Sarajevo that the Serb forces had withdrawn from Mounts Igman and Bjelasnica.

A Serb withdrawal from the two peaks overlooking the city had become a condition for Bosnian President Alija Izetbegovic to return to the peace talks.

Mills said the Geneva talks are scheduled to resume at 4:30 p.m. (1430 GMT) Monday. [passage omitted]

Belgrade TV on Talks

AU1408191193 Belgrade RTB Television Network in
Serbo-Croatian 1730 GMT 14 Aug 93

[Report by Dusan Cukic]

[Text] All three delegations at the negotiations on the former Bosnia-Herzegovina are present here, but the cochairmen—this is known—have decided to take a day's break away from Geneva. It seems that it was absolutely imperative for Lord Owen to get away, if only for a short respite, because lately, today included, he has been exposed to brutal insults from the Muslim demonstrators.

Barbed wire has been placed around the Palace of Nations. For some days now, water cannons and special forces have surrounded the Palace of Nations because Geneva—in the midst of a festival for tourists—is being threatened in the name of Islam. Even the local mufti, via the press, is calling to believers to take up their places around the international organization.

However, other obstacles are hampering the Muslim pilgrimage, while Alija Izetbegovic is currently denouncing British Prime Minister John Major, UN Secretary General Butrus-Ghali, and Western policy as the greatest evil after the Serbs. Izetbegovic knows why he is doing this. Why are they so opposed to lifting the arms embargo? We do not need other promises, says Izetbegovic, just let us arm ourselves and we will be off to a good start. Providing, of course, that the NATO aircraft shower the Serbs with bombs and so, perhaps, forever wipe out this people.

Izetbegovic is wondering here in Geneva why there are no air strikes, and I must say that, egged on by correspondents from certain Western countries, he interprets the word allied as the defense of the idea that those misbehaving Serbs need to be punished even more. The leader of the Muslims, who, before the eyes of all those present here, keeps on inventing—as Mate Boban put it—new reasons for postponing the peace negotiations, is nevertheless sinking deeper into a chasm from which it is getting increasingly hard to climb out of by force.

It seems that the mentors have also exhausted their possibilities because it was very obvious that Izetbegovic was extremely subdued when he appeared before the press after meeting with Bartholomew and future U.S. envoy Redman. He did not even try to hide the fact that he had been forced into a union of three republics, but—probably captivated by new promises—he once again hinted at a demand for the broadening of territory with a trace of optimism.

In Geneva, one can make out the interwoven international interests, but despite even this, black cannot pass for white. That is why in the Palace of Nations, there is still understanding for justice, and it increasingly seems that this is not just a story for the naive.

Report Criticizes Izetbegovic

AU1508151493 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 15 Aug 93

[Report by Dusan Cukic]

[Text] Pessimists or the malicious had already written off the peace process for the former Bosnia-Herzegovina, and—without a guilty conscience—had begun counting the NATO birds in the Balkan skies as they drop their deadly cargo from their mighty bellies. Luckily for all of us, their hopes have been dashed. The negotiations in Geneva are not dead. There is faith that as early as tomorrow afternoon good news might set out from here.

A conscientious analyst, however, should immediately bring up the experience that the Geneva conference has with Alija Izetbegovic. The leader of the Muslims—as Mate Boban publicly remarked—uses every occasion to find a new reason for postponing a political solution. This time the ace was Mt. Igman. Tomorrow he might easily pull out some other card, and if the cochairmen allow it, the conference will once more stretch on endlessly.

Whether by following his own instincts or on someone else's advice, Izetbegovic obviously sees his salvation in drawing out the negotiating process and in waiting for others' mistakes. However, it must be said that the Muslims in Bosnia have not been left high and dry, and that is also one of the exceptional cards which Izetbegovic is playing on. In the night from Friday to Saturday Izetbegovic met with Bartholomew and the future U.S. envoy Redman and immediately after this urgently called a news conference. What was it that made Izetbegovic hurry? The realization that the Serbs were withdrawing from Mt. Igman, or orders telling him not to stall the negotiations before the eyes of the world? Probably both, but maybe also a new plan which we might learn tomorrow. During his last appearance before the media Izetbegovic behaved in a very subdued manner, like a man on whom everything had been forced. He said that it was not his will to do what he is

doing. He said that he was doing it for the sake of future generations. The establishment of the union of three republics is included in these confessions. He claimed that for the sake of economy there had to be cooperation between the three peoples. He announced full cooperation with Serbia and Croatia for the same reasons. He also said many other things, regardless of the still controversial issues concerning the maps. At the moment, all this seems much too idyllic. Even to an optimist.

RSK Delegation Head Assesses Progress of Talks

AU1408194493 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 14 Aug 93

[Text] Colonel Kosta Novakovic, the head of the republic of Serbian Krajina's [RSK] delegation in Geneva, assessed the negotiations with the delegation of the Republic of Croatia as a step back in comparison to the earlier talks in Geneva and Vienna. The two delegations are currently discussing the draft of the cease-fire agreement. France Press reports that the two delegations are due to meet again in Zagreb on Tuesday [17 August]. Here is what Colonel Novakovic said about the progress of the negotiations so far:

[Begin Novakovic recording] The important issue to be discussed was this agreement, but the Erdut Agreement kept cropping up. The Croats observed the Erdut Agreement—reached on 15-16 July—for only two days, up until the time they achieved their goals, erected the pontoon bridge, opened Zemunik Airport, and began repairing the Peruca Dam.

Since then, they have been doing everything possible to boycott this agreement. It is possible that at one point they were ready to start implementing it, and that was when they feared that the UN Security Council would impose sanctions. However, instead of a resolution—a very strict resolution that would condemn this—the chairmen issued a statement, and now the Croats are increasingly trying to discard this agreement.

Moreover, everything else seems to have remained in the hands of the cochairmen of the conference on the former Yugoslavia and their deputies, who are also presiding. They have once again asked our Serbian side, the RSK, to restrain itself. They said that they would do everything to ensure that the Croatian side, the Republic of Croatia, is forced to implement the Erdut Agreement, which is also an agreement in the documents of the Conference on the Former Yugoslavia. [end recording]

Armed Greek Crew Fires at Fishing Boat

AU1308125893 Tirana ATA in English 1021 GMT
13 Aug 93

[Text] Tirana, August 13 (ATA)—On August 11, at about 9.00 hour [0700 GMT], a Greek petrol boat approached the Albanian fishing boat Sopoti and compelled its crew to follow it a considerable distance into Greek waters. The captain of the Albanian boat, Mustafa Gjini, explained to the armed crew of the Greek boat that the Sopoti was in Albanian waters and he refused to change his course. Thereupon, the Greek crew opened fire on the Sopoti, aiming at its crew.

There were no injuries from the firing on the Sopoti wheel house, but the lives of the Albanian fishermen were certainly put at risk.

Asked by ATA reporter exactly where the incident took place, Gaqo Menka, an officer in the Albanian Navy, said that the Albanian boat was fishing in the C zone, completely in Albanian territorial waters. According to other sources, this is the most flagrant recent incident of violation of Albanian territorial waters. Other reliable sources report that less than two months ago, another Albanian fishing boat, the Mitro Dhimerika, was stopped by a Greek ship. A fine of some 600 thousand drachmas was imposed, and the Albanian crew was imprisoned for five days in Corfu. According to some naval sources in Sarande, a special commission of Albanian competent authorities will arrive in Sarande today for further investigation in the incident.

Serreqi, CSCE Commissioner Discuss Minority Rights

AU1308124093 Tirana ATA in English 0854 GMT
13 Aug 93

[Text] "I express my thanks to Albanian authorities for facilitating my contacts throughout the country, with both state officials and the citizenry, so that I might talk to the people and see how they work and live," the CSCE high commissioner, Max van der Stoel said in his meeting with Foreign Minister Serreqi.

For his part, the Foreign Minister Serreqi stressed that the democratic government intends to follow an open and unbiased policy toward minority groups.

This policy follows from the experience of the Albanian people with one of the harshest dictatorships in Eastern Europe and the tragic division of the Albanian people themselves, half of whom are outside Albania's borders.

Given the peaceful coexistence in ethnic and religious matters that has always existed in Albania, our government has adopted the highest international standards in its policy towards national minorities.

The actual question for the Greek minority in the south has nothing to do with Albanian official policy, but with tensions provoked from outside our country within the Greek minority group.

Conference Views Damage Caused by Sanctions

AU1308184793 Tirana Radio Tirana Network in
Albanian 1330 GMT 13 Aug 93

[Text] [Announcer] The economic damage resulting from the strict application of the Albanian embargo on Serbia and Montenegro is assessed to be \$300-400 million. Concerning this topic and everything else said at the weekly Foreign Ministry news conference, the following report is by our correspondent Arben Karapici:

[Begin Karapici recording] Albania is thought to be the first country that deserves compensation, according to the UN Charter, for its contribution to strict application of the embargo on Serbia and Montenegro. This was stated at the weekly news conference held at the Foreign Ministry in Tirana today. The ministry spokesman stated that this was the reason it was decided that the meeting of the aid commissions chairmen for the implementation of UN sanctions would be held in Tirana and not in the capital of another country, as was anticipated. The meeting held on Thursday confirmed that Albania has not only strictly implemented the embargo, but has cooperated in a fruitful way so that anti-Serbian sanctions have brought about the desired results, despite the considerable economic damage inherent in this undertaking.

Referring to the data discussed in the meeting, Mr. Ramazan Hysa said that the economic damage in Albania can be assessed at \$300-400 million and is caused mainly by the lack of electrical energy and chromium ore exports.

The news conference also focused on the visit that the high-level CSCE commissioner for minorities, Max Van der Stoel, paid to our country. Being already fully acquainted about the predicament of the Greek minority who, according to on-the-spot observations, completely enjoy their rights, the CSCE high commissioner was informed about the Cam problem and its legitimate rights. This provides broad opportunities for the recognition of the existence of the Albanian minority in Greece.

The Foreign Ministry spokesman gave hope that through the CSCE high commissioner for minorities, the official circles and all international opinion will be sensitized to the necessity of recognizing the Arvanitas minority in Greece and above all, the legitimate rights of our people within the present borders of Greece.

The drafting of the UN Security Council special resolution on the situation in Kosova occupied an important place in the news conference. An official document of this kind is being drawn up for the first time. It was welcomed and examined by the Albanian Government

and President Rugova. The news conference concluded that this UN Security Council resolution is a very important event that will make it possible to prevent the spread of the conflict to Kosova and beyond. [end recording]

PD Meeting Discusses Government's Work

AU1408205393 Tirana Radio Tirana Network in Albanian 1730 GMT 14 Aug 93

[Excerpts] The Democratic Party [PD] Presidency held a meeting yesterday afternoon under the leadership of Chairman Eduard Selami. The Presidency was first acquainted with a report on the government's efforts to further enhance relations with the local government. Government Chairman Meksi presented a report on the work performed so far to create a complete legal framework essential for the functioning of the new democratic local power. It is true that we compiled the constitutional provisions for the local government, the Law on the Organization and Functioning of the Local Government, the Law on Local Government Elections, the Law on Prefectures, Albania's administrative division, and a series of decisions to create the administrations of local government institutions, the structure and number of employees, and a draft regulation for municipalities and communes. Several groups of specialists have been working for months to draft several pertinent bills in order to facilitate the financial activities of all local power authorities. [passage omitted]

The government is working to prepare a series of bills to improve the functioning of local administrations of education, health, labor, etc. in the districts, municipalities, and communes, which the government members assigned with this duty committed themselves to complete in a much shorter period of time. The sub-legal acts that will regulate the work of local government apparatuses and special administrations should also be completed within the shortest amount of time.

The government representatives pledged that the nomination of prefectures and the creation of their administrations would begin within a short amount of time. With the drafting of laws and other acts, it is necessary to improve all effective decisions.

Messrs. Berisha, Selami, Arbnori, Shehu, Uka, and Toto participated in the discussions that followed. [passage omitted]

Mr. Meksi then presented a short report on the government's work to improve and accelerate foreign investments in Albania. [passage omitted]

The Presidency also discussed the statement by [Minister of Agriculture and Food] Kalakula at the People's Assembly. This statement was considered unacceptable for the PD's morale, program, and platform. The PD has a clear platform that has been publicly presented with a democratic and contemporary spirit, and for this it has won the confidence of 65 percent of Albanians. It is [words indistinct] of vacillations of every dictatorship, both against communism and fascism.

Concerning this statement, the Presidency unanimously decided to fulfill the prerogatives of the PD chairman in conformity with the PD statute and release Mr. Kalakula as chairman of the PD Tirana branch. It was suggested to the prime minister and president of the republic that Mr. Kalakula be released of his duty as minister of agriculture.

We would like to point out that after being acquainted with the Presidency decisions, Mr. Kalakula announced that he was resigning as agriculture minister.

Expressing full respect for the diversity of thought and its indisputable values, the PD Presidency stressed that it will, even in the future, never reconcile with the statements that run counter to the PD program and the democratic ideals of Albanian society.

Minister Ruli Denies Italian Deputy's Allegations

AU1308132493 Tirana ATA in English 0908 GMT 13 Aug 93

["Statement by the Albanian Minister of Economy and Finances Regarding the Allegations of the Deputy Alberto Alessi to the Italian Parliament"—ATA headline]

[Text] Tirana, August 13 (ATA)—Along with other incorrect and incoherent allegations of Mr. Alessi in his statement to the Italian Parliament, he mentions my name as one of the persons directly involved in the Arsidi question.

I would like to state that the Arsidi issue belongs to a period when I did not hold a ministerial post. As minister of finances, I never spoke to Nikolla Arsidi about questions related to the resolution of the Albanian foreign debt problem. I was informed of the Arsidi issue and the flagrant abuses committed only after the competent Albanian authorities had become aware of the facts and had initiated a penal case against Arsidi.

I have not been able to discover the source of Mr. Alessi's erroneous statement. But, I would like to stress that it followed on a similar groundless allegation by a Socialist deputy in the Albanian Parliament.

Ministry Explains Presence of U.S. Officers

AU1308175793 Sofia Khorizont Radio Network in Bulgarian 1500 GMT 13 Aug 93

[Text] The press center of the Defense Ministry issued an announcement today in connection with the report in today's DUMA that claims that U.S. military servicemen are clandestinely slipping into Bulgaria.

The Defense Ministry press center states that in 1992 a program of military contacts was drawn up with the permission of the U.S. Government to render assistance to former socialist countries insofar as democratizing and implementing reforms in their armed forces. At present, this program is being actively implemented in Hungary, Poland, the Czech Republic, Slovakia, Romania, Lithuania, Latvia, Estonia, and Albania.

On 6 July 1992, during the visit to Sofia of U.S. Brigadier General Lennon, deputy director of the International Cooperation Program, the two sides discussed the main aspects of Bulgaria joining this program. The program has not yet started here in Bulgaria.

The three American officers who are now in Sofia and who have been allocated office premises in the army Hotel Shipka will be handling administrative issues for the groups of American specialists who will visit Bulgaria and the groups of Bulgarian officers and specialists who will visit the United States and Western Europe. This is all in accordance with the working plan to be agreed upon in the near future.

Interior Ministry Statistics on Organized Crime

AU1208202393 Sofia BTA in English 1836 GMT 12 Aug 93

[Text] Sofia, August (BTA)—120,403 Crimes were recorded in Bulgaria in the six months to July, 15,778 up from the same period last year. Over the same period, the clear-up [as received] rate rose 11.1 percent from the first half of 1992, Interior Ministry officials told a briefing today.

The crime rate in this country is 1,254 offences per 100,000 persons. Property offences account for 94.2 percent and crimes against the person for 33.3 percent (up from 2.9 percent in the same period of 1992). 35,488 crimes were cleared up in the first half of this year, of which 4,366 (or 218 more than last year) in the manufacturing and financial sector.

The Central Service for Organized Crime Control detained 75 persons, members of 19 criminal gangs, on charges of extortion through threats and other forms of violence. Police recorded 127 tips of organized group extortion in the period under review, up from 88 at the same time last year. Bombings nearly doubled to 78, up from 41. 18 persons were kidnapped, with police resolving 10 cases. Arson cases numbered 475.

Border checkpoints officers foiled 30 smuggling attempts, confiscating 269 kg of narcotics, up from 190 kg for the same period of last year. Police know of 26 gangs smuggling stolen cars, three of which have been uncovered and arrested.

The Interior Ministry is seriously worried over the growth of organized crime, especially racket and smuggling, including drugs and arms trafficking, high-ranking police officers said. Officials are alarmed by the presence in this country, especially in Sofia, of aliens of the so called "risk states," including China, by offences which are new or were rare in the past, and by the Gypsy crime rate, which, in Sofia, for example, is 3 to 3.5 times higher than the rate for other ethnic groups, officials said. In our opinion the new police law, expected to pass in September or October, will not resolve the problems of crime control and will not even reduce crime, as it is only one of a package of much needed laws, Vasil Kalugеров, deputy director of Sofia's Police, said.

Press Views Effects of Romanian Rail Strike

AU1408173693 Sofia BTA in English 1600 GMT 14 Aug 93

[From BTA press review]

[Text] Sofia, August 14 (BTA)—The dailies lead with the effect of the strike of Romanian railway workers on Bulgaria and speculate on the possible effect of a strike prepared by Romanian road maintenance workers, who will block all main roads and close the approaches to border crossings and bridges over the Danube. The railway workers' strike created chaos in transport in the Balkans, in three days Bulgaria will be cut off from Europe, says TRUD. Bulgaria has been isolated from Europe for three days now, what with the embargo and the strike it has turned into an isolated island, says a commentary in PODKREPA. The Bulgarian railways will suffer huge losses (10 million leva so far), the daily says. "The government should reconsider the question of the embargo against Yugoslavia," said Simeon Khristov, head of the Exploitation Directorate of the Bulgarian State Railways, quoted in TRUD. The border with Romania has been closed to passenger trains too, STAN-DART NEWS says, quoting Atanas Tonev, director general of the Bulgarian State Railways. 24 CHASA says trucks wait in a line at the Romanian border for three or four days (two or three days according to DEMOKRATSIYA). The Bulgarian Railway Company has changed the route of all special trains carrying Turkish guest workers and they pass through Serbia, KONTINENT says.

Ilinden Organization 'Not Regarded as Problem'

AU1308175493 Sofia BTA in English 1640 GMT 13 Aug 93

[Text] Sofia, August 13 (BTA)—"In the foreign political aspect, the Ilinden United Macedonian Organization is not regarded as a problem for Bulgaria because it does

not concern the country's relations with any of its neighbours and it cannot be forced upon Bulgarian diplomacy. The problem should not be regarded as existent in the internal aspect either because there is no registered organization called the Ilinden United Macedonian Organization," Lyubcho Trokharov, head of the Department for Southeastern Europe with the Bulgarian Foreign Ministry, said in an interview for the private Darik Radio.

Two days ago two national papers—the private 24 CHASA and the Socialists' daily DUMA—informed that the leader of the illegitimate Ilinden organization, Yordan Konstantinov, had made a statement in Skopje saying that he expected "support from Serbia for the recognition of the Macedonian minority in Bulgaria." Mr. Konstantinov reportedly said that his organization would seek support from the European institutions and the Council of Europe for granting autonomy to Macedonians in Bulgaria living in Pirin Macedonia. Yordan Konstantinov was a delegate to the World Macedonian Congress.

Mr. Trokharov specified in today's interview for Darik Radio that there were only isolated persons carrying out activities called separatism in other countries. In his opinion, such activities should be handled by the competent authorities—the Prosecutor's Office, the local authorities, and the Ministry of the Interior.

Mr. Trokharov is not surprised by the anti-Bulgarian acts at the World Macedonian Congress in Skopje and he explains them by the nervousness of some people in Macedonia under the new circumstances. Mr. Trokharov expects other similar acts, but also believes there are people who will voice more modern views conducive to progress in Bulgarian-Macedonian relations.

ASO Leader Says BSP Slow in Democratization

AU1208192493 Sofia DUMA in Bulgarian 7 Aug 93 p 11

[Interview with Valentin Vatshev, chairman of the Alternative Socialist Association, ASO, by Dora Chichkova; place and date not given: "Bulgarian Socialist Party Must Continue To Democratize Itself"]

[Text] [Chichkova] Why did you want to intervene in the dispute concerning the Strategic Research Center of the BSP [Bulgarian Socialist Party]?

[Vatshev] Because the manner of its constitution and functioning is a sign that the great democratization process in the BSP has not progressed far since its initiation.

[Chichkova] The center was created by the 40th BSP Congress....

[Vatshev] One can see from the stenographic record that the proposal for its formation was not sufficiently discussed nor clearly put to the vote. The decision was adopted in the small hours, when the delegates were tired and ready to vote for anything.

[Chichkova] Does the fact that only a few were awake and the rest asleep make the decision illegitimate?

[Vatshev] From the formal legal viewpoint, no, and it is too late to argue whether the decision conforms to party statutes. However, when an undemocratic decision is reached by democratic means, we should use our brains to decide what to do in future.

[Chichkova] What then are we to do? What is the essence of the problem?

[Vatshev] The problem is that the center has no clear status. Either it is an elected body (in which case its members should be elected as well as its chairman), or it is a department of scientific experts, but it cannot be both simultaneously, as this implies that the BSP cannot differentiate a political body from a scientific one. Politicians are elected by ballot and made to answer for their actions by the political system. Experts are appointed and answer to the administration that appointed them.

When only the chairman of the commission responsible for the political program is elected, the danger is that his good will begins to play too large a role. He will invite some people to join the commission, but not others. For example, recently Lilov invited Kyuranov to join the commission, and it was high time that he did so! I consider that he should have asked Kyuranov at the very outset, and was obliged to do so, without recalling the insults to which he was supposedly subjected.

[Chichkova] What is the solution?

[Vatshev] Either the Strategic Research Center should be declared to be a group of experts that together with everyone else submits "rough drafts" and "considerations" on the BSP's future program, or the Executive Bureau should propose membership for the commission, which should be approved by the BSP Supreme Council as responsible for writing the BSP program. The Supreme Council, however, has chosen a third course—to postpone making a decision on the issue of the BSP program commission until the problem mushrooms as a result of various interpretations and speculations.

[Chichkova] This is already happening. Nevertheless, is it not ridiculous for the entire party to center its attention on such a "problem"?

[Vatshev] Only the OSD [Alliance for Social Democracy] has concentrated on the problem, because they realized that, in Lilov's hands, there is a danger of the center obtaining too many levers of influence. At the moment I myself do not see any signs of any power concentration at the center.

[Chichkova] Why then has this huge row erupted around the Strategic Research Center?

[Vatsev] It is not so much a row as a late reverberation, an echo of the infighting in the BSP leadership from the time when the party leadership around Lilov tried to overthrow him. Today the OSD is the last bastion of the elite in Lilov's immediate entourage that failed to overthrow him when he was the party leader. At the BSP congress Lilov's supporters, furious at his opponents and at Lilov himself, who did not want to continue serving as chairman, hastily arranged for him the poorly camouflaged post of "honorary chairman". I am not sure that this was what he wanted exactly, but this is what happened.

[Chichkova] People say that Lilov himself is preparing a successor for Zhan Videnov. A name has even been mentioned....

[Vatsev] Zhan Videnov's marriage with the party chairmanship can only be dissolved at the next party congress, and only on the grounds of nonconsummation.

[Chichkova] How are we to interpret this?

[Vatsev] It has long been obvious that at least half the people in the present Executive Bureau, who were elected at a moment of crisis, are no longer able to meet today's demands. It is high time we admitted that even the BSP Supreme Council is discharging no more than 10 percent of its functions. The remaining 90 percent have been dispersed in three directions: to the BSP parliamentary group, the party's organizational department, and the Executive Bureau.

[Chichkova] The members of the Parliamentary Group, it seems to me, see nothing abnormal in this.

[Vatsev] The members of the Parliamentary Group imagine that they produce party policies, instead of remembering that their job is merely to sell a finished product. They might indeed produce policy, but for this purpose they should organize themselves differently and operate in a different place, namely in the Supreme Council.

[Chichkova] What worries you about the organizational department?

[Vatsev] If any re-Zhivkovization is taking place in the BSP, it manifests itself in the organizational department adopting political decisions. It is on the way to becoming an army general staff, with a mobilization section, a leadership responsible for day-to-day operations and tactics, and a rear support echelon. The only thing they lack is an intelligence network. This is the monstrosity from which Stalinism may appear.

The Executive Bureau also has to complete pieces of work that the BSP Supreme Council has left unfinished, to adopt urgent ad hoc decisions, and formulate concepts in 15 minutes.

[Chichkova] The BSP Supreme Council does not move fast enough. When it is necessary to draft a stance in 15 minutes, how can you summon an old dad from the back of beyond, and what use will he be?

[Vatsev] When the situation demands it, the Executive Bureau will act as an extraordinary staff headquarters. To prevent anything extraordinary happening, the Supreme Council commissions should start working. They should examine the problems and propose alternative solutions, from which the plenum should make its choice.... In general, it has to be seen whether the Supreme Council is capable of solving the problems in a democratic way, through working commissions. The BSP should first democratize itself, because one can see that in the final analysis no other organization exists to democratize the country.

[Chichkova] Is this not a very pretentious claim?

[Vatsev] No. The whole question boils down to the fact that one must realize that the left and the right in Bulgaria are not symmetrically opposed dinosaurs between which the lovable little warm-blooded centrists can poke up their heads. In any society, there can only be six standard positions: extreme left, left, left of center, right of center, right, and extreme right.

The people on the extreme left will now have to establish which of them are more communist than the others. What is important, however, is that the genuine energy of the left should be controlled from the left of center, not from extreme left-wing positions. The BSP leadership, although some may say it is in the hands of the communists, is in fact left of center.

Accordingly, we have finished our work in the left wing of the political spectrum. The problem is that the people on the right cannot do the same. A furious battle is in progress there to decide who will control the energy of the right—the people of the extreme right, who organized the stabbings in the back, the psychotherapists and masseurs, or the more sedate, moderate people. The average member of the SDS [Union of Democratic Forces] is totally perplexed, and fed up with the lot of them. However, until they solve this problem, we do not know who to deal with.

[Chichkova] Can you see any nucleus for a major party of the right?

[Vatsev] The right is full of such nuclei. They wriggle up and down like free-swimming sperms. Each of them claims to be more centrist than the others. A kind of primeval right-of-center soup exists, a basic broth. Unfortunately, the totalitarian pressures continue to shove all good, intelligent, and likable people into the single melting pot of an indeterminate centrist party. I would welcome the appearance of a responsible right-of-center party. I would not join it, but it would protect us against extreme social experiments.

National Bank Not To Change Monetary Policy

*AU1208202293 Sofia BTA in English 1847 GMT
12 Aug 93*

[Text] Sofia, August 12 (BTA)—The Governing Board of the Bulgarian National Bank decided it would not change its foreign exchange and monetary policy after an analysis of the state of the economy at a meeting today.

The central bank extended by another three months, until November 20, the contracts with commercial banks on deposits transferred to offset loans subject to a moratorium on internal debt. The amount of the deposits remains unchanged. The central bank reserves the right to early withdrawal or reduction of the amount of deposit should the loans be transformed into public debt or repaid prior to the expiry of the contract.

Private Sector Claimed To Offset Economic Decline

*AU1308154393 Sofia BTA in English 1345 GMT
13 Aug 93*

[Text] Sofia, August 13 (BTA)—Experts of the Agency for Economic Coordination and Development (AECD) say the growth of the private sector is already decisive for the Bulgarian economy.

The National Statistical Institute said that while agricultural production dropped an overall 12.9 percent in 1992, the production of private farms grew 13.6 percent, whereas the production of state-run farms dropped 27.3 percent. This year the share of the private sector in Bulgarian farming was definitely over 50 percent.

Apart from agriculture, the private sector dominates distributive trade, where it accounts for 52 percent of total sales. An estimated 30 percent of foreign trade is also carried out by the private sector, the AECD found in its latest studies.

The private sector is emerging as a determining factor in the overall behaviour of sales. In the first half of 1993, the growth of sales in the private sector almost entirely offset the decline in the sales of the public sector. This is a turning point because for the first time the overall direction of change in the Bulgarian economy reversed under the influence of the private sector growth, and assertions that business activity is declining steadily are no longer true.

Personal income from what statisticians call "other business activity" (i.e. different kinds of private business) has steadied at 25-30 percent of overall personal incomes and ranks a steady second among the sources of incomes after wages.

Experts single out yet another indicative fact: Private companies and natural persons hold some 16 percent of the capital of commercial banks.

The AECD estimates the average annual number of private sector employees at some 360,000 in 1991 and 470,000 in 1992, which was 10 percent and 15.5 percent of all economic employees, respectively. During the same period, the public sector lost 685,800 jobs in 1991 and another 520,700 jobs in 1992. Obviously, the private sector absorbed a considerable part of the redundant manpower.

Libya To Repay \$300 Million Debt

AU1208181593 Sofia DUMA in Bulgarian 7 Aug 93 p 3

[Report by Leonora Lekova]

[Text] After a three-year break, the Bulgarian-Libyan Commission on Economic, Technoscientific, and Trade Cooperation has resumed work, Construction Minister Khristo Totev announced on his return from Libya. In his view, conditions exist for restoring the traditional relations between the two countries. Libya is to repay its outstanding debts, which amount to about \$300 million, while Bulgaria will consider some of the claims made by its partner.

During the talks, the two sides examined the issue of the status of Bulgarian citizens employed under private contracts. Totev stressed that Bulgaria will do everything possible to protect their position under labor law. The activities of a number of Bulgarian companies will also be regulated, by placing them on a contractual basis.

Khristo Totev said that at its forthcoming session in Sofia the commission will discuss the main directions of cooperation. Shopping lists will be prepared of goods that are of interest to the two sides. The Libyan side wants technical aid in the fields of energy, industry, and agriculture. Totev said that concrete proposals have been received for our participation in construction projects.

Klaus Views Meciar's Remarks on Compensation
*LD1208180493 Prague CTK in English 1456 GMT
12 Aug 93*

[Text] Prague, August 12 (CTK)—Czech Premier Vaclav Klaus said today that Slovak Premier Vladimir Meciar was right when he said that every square centimetre of Slovak territory, if given to the Czech party when the Slovak-Czech border is fine-tuned, would have to be compensated for. Nobody in the Czech Republic has been thinking of gaining an inch of Slovak land, Klaus told a press conference held by his Civic Democratic Party (ODS).

When Meciar, chairman of the Movement for a Democratic Slovakia (HZDS), was speaking on Wednesday about proposals of the border commission for adjustments of the Czech-Slovak border following the split of Czechoslovakia, he pointed out: Not a square centimetre of Slovak territory without a compensation.

Commenting on Meciar's statement that the ongoing audit of the former Czechoslovak State Bank (SBCS) would probably bring unclear issues, Klaus said that any speculation before the results are known could influence the auditors. The audit has been initiated by the Slovaks who reject the bank's claim that they owe the Czech Republic about 25 billion crowns (about 830 million USD).

Klaus Views Debate on Territorial Arrangement
*AU1208104693 Prague CESKY DENIK in Czech 6 Aug
93 pp 1, 3*

[Article by Prime Minister Vaclav Klaus: "Paradoxes of the Discussion on the Territorial and Administrative Arrangement"]

[Text] For some time now the search for a new alternative in the territorial and administrative arrangement of the Czech Republic has lead nowhere. This does not mean that new proposals are not frequently being put forward. The important thing, however, is that they have nothing to say, they are not convincing or satisfactory. This is certainly not because they are drafted by incompetent or biased people with their own motives, or that someone else could draft them much better.

I believe the problem is more profound and fundamental, and that we must return to its roots, which unfortunately are often passed over in silence. Therefore, I take the liberty to formulate three rather heretical theses, for the formulation of which it is too late, but, I am quite certain that they must be formulated at this time, nevertheless. If my observation of the debate on the territorial and administrative arrangement is correct, then it seems to me that:

- the search for a new solution is not based on a careful analysis of the existing division and its rejection in a convincing way;
- the search for a new arrangement is not based on a discussion on and a careful analysis of the extent to

which the state administration and self-administration should participate in the administration of public affairs on the sub-republic, that is, regional level;

- for a number of participants in the debate the search for a new territorial arrangement serves as a substitute political program, a program with a neutral appearance but a strong political connotation—it is an attempt to acquire power on newly defined territory, after failure to acquire that power on territory divided in the existing way.

If we are not able to achieve consensus on these three points, if we are not able to structure our complicated, many layered arguments in that way, then I do not believe we will be able to find a reasonable solution. Only a solution that would mean an improvement on the current situation can be considered reasonable.

Let me present a number of arguments on these three planes.

1. The Analytical Plane

The current administrative arrangement of our country is certainly not perfect, since nothing in the world is perfect. Let us ask a few key questions. Do the existing flaws require a revolutionary change, the denial of the existing system, or only reform-type shifts, a mere streamlining of the existing status? Where are the main flaws in the existing system? In its extensive centralization? In its over uniformity, that is, its dependence on higher organs, or in the lack of rules comprehensible to all? In a small, or too large a number of civil servants? In the administrative organs being divided into many independent parts, or in too great an association in one organ? Is the system bad, or are the people working in that system bad? Are both the system and the people good, but there is simply a lack of money? Can it be expected that with a change in the system, there would be more money? Etc. etc. I have not yet seen clear answers to these questions, and I am sure it is impossible to move forward without the answers.

The current attitude of those dealing with the issue has resulted in the fact that the proposed solutions are too preconceived and they do not give the impression that a rational view of the issue is being sought. That is why they cannot be too attractive, why they are rejected by those who would lose something and welcomed by those who would gain something.

2. The Ideological Plane—A Concept for the Administration of Public Affairs and the Optimum Degree of Decentralization

This plane has two sub-planes [subrovina]. It would be helpful if we realized this and separated them.

On the one hand, there is the question of what distance the administration should be from the citizen and, on the

other, what are the matters that should fall within the jurisdiction of the state administration and what in that of self-administration.

In the debate on the territorial arrangement, the opinion prevails—subconsciously, without being expressed aloud—that the closer to the citizen the administration of public affairs is the better and that everything (or almost everything) that the state, or any of its regional organs, does is bad and everything would be better if it were done from below, by organs established as self-administrative organs. This opinion, however, cannot be a basis for a rational territorial arrangement, since things are not as simple as that. The state bodies argue, on the other hand, that, if a solution is selected that is biased strongly in favor of self-administrative bodies, it will result in a grossly dispersed, expensive, and inefficient administration. The question of the optimum degree of decentralization and the optimum degree of the state administration and self-administration must then be explicitly raised. The solution must be selected on the basis of the answer to this question.

3. The Political Plane

The change in the territorial arrangement is not only a question of a rational or irrational organizational change—one that can subsequently be evaluated empirically as having been successful or unsuccessful—but it also appears to be a significant and attractive political program. If we want to take this aspect into consideration, then we must ask: For whom could this be a significant political program, and why? The ordinary citizen is not much interested in the problem, and I am not surprised. I am not flirting with him politically, nor does the political party I represent, that is, the Civic Democratic Party. In arguing for changes, we are not seeking to gain or lose anything. Who then is interested in a change in the territorial arrangement on the political level? Either he who expects that the new territorial arrangement will bring him more political clout than the old or he who expects that any change will bring him more political clout. This is why non-civic [neobcansky] arguments appear during the debate, arguments that may be justified or unjustified, substantiated or unsubstantiated, but they are always reminiscent of something specific in a given region—be it something historical, economic, cultural, geographic, etc. On the basis of such considerations, demands are raised the nature of which is not that one is better than the other, but which are fundamentally and a priori either categorically correct or incorrect. This is where any fruitful dialogue ends. One blames the other for having bad intentions, being biased or blind, but the fact is that purely political arguments are competing here.

If we realize all this, then it is clear that this dispute is not about the number of regions or districts, nor is this a dispute between city mayors and district chairmen, or a dispute about Moravia or the Pardubice region.

That is why I would recommend:

- to return to a serious and unbiased analysis,
- to do away with political ambitions in this debate,
- to achieve unity on the issue of the optimum degree of decentralization and self-administration,
- to search for rational solutions—not only from the organizational and technical viewpoints—solutions that enjoy rational support and are in the interest of the people of our country (and not just of a number prominent politicians).

I believe it is possible to find such a solution.

ODA Does Not Support Devaty as BIS Director

LD1308131493 Prague CTK in English 1225 GMT 13 Aug 93

[Text] Prague, August 13 (CTK)—The Civic Democratic Alliance (ODA) does not support the appointment of Stanislav Devaty as the permanent director of the Security and Information Service (BIS), party Chairman Jan Kalvoda said at a press conference today.

Stanislav Devaty, temporary director of the BIS since December 1992, was before that the deputy director of the former federal FBIS.

Kalvoda said the ODA did not have a specific candidate in mind for the directorship. For the several months during which the coalition has been unsuccessfully discussing the question, the ODA has kept an open mind about the choice of bis director. However, it seems that after the situation in the BIS is analysed it will be better to name someone who is independent of any political party, he said.

Until an appropriate and authoritative decision is made concerning what are termed security or police affairs, ODA considered it prudent to exercise the utmost restraint in public political statements and comments, Kalvoda announced.

It would be fatal not to solve those system problems in the security and information apparatus which have not just arisen, but have existed for some months, Kalvoda said, adding that the ODA expected a solution to be found in a short time—several months at the most.

Rise in Cost of Living in July Reported

AU1308115993 Prague CTK in English 1542 GMT 11 Aug 93

[Text] Prague August 11 (CTK)—Living expenses of employees in the Czech Republic rose by 0.8 percent in July, according to information given to CTK by the Czech Statistical Office (CSU).

This represents under half the average monthly growth of 1.7 percent shown this year. However, this higher average figure is partly due to a rise of 8.5 percent in January.

Moreover, living expenses were 21.2 percent higher in July than they were at the same time last year, and 126.6 percent higher than in January 1989.

The figures for farmers were similar, with an increase in expenses of 0.7 percent, making them 20.7 percent higher than in July 1992 and 126 percent higher than in January 1989.

The rise in pensioners' expenses was also very similar, rising by 0.8 percent in July (19.8 percent higher than July 1992 and 129.9 percent higher than January 1989).

Railroad Chief Outlines Restructuring Plans

AU1308132793 Prague CTK in English 2056 GMT 11 Aug 93

[Text] Prague August 11 (CTK)—The Czech railway system, Ceske Drah (CD), is undergoing enormous restructurisation in order to deal with the seven to eight billion crowns (about 230 to 270 million USD) in total losses it is set to register for this year and next.

Emanuel Sip, CD's governmentally authorised manager, told journalists today that one of the most apparent changes for customers would be the fare increases of up to 50 percent beginning January 1, 1994.

Rail travelers could, as a result, expect a better information system, a more reliable service and cleaner trains and stations. In addition, the special kilometre bank scheme which presently allows customers to travel 2,000 kilometers for 75 percent of the normal price will be changed so that customers will be able to travel 5,000 kilometres.

First of all, however, the railways are planning to increase their income by deregulating the transport of import freight as of September 1993, in addition to multiplying the number of passenger routes from the beginning of next year. Import tariffs will be increased because rail transport must remain competitive in relation to road transport, especially on long-distance routes, he said, but did not give any exact figure.

Last year's losses (five billion crowns, or 170 million USD), which Sip attributed to the Federation's split-up and the Czech economic situation, were partly made up for with government subsidies worth more than four billion crowns (about 134 million USD), while the

remainder of the losses occurred in parts of the company that are insolvent. This year's government subsidies will go towards debt payments, fulfillment of wage-settlements (roughly 500 million crowns, or 16.5 million USD), the inspection of carriages and repairs to infrastructure and locomotives. The subsidies will not, however, stretch to cover the renewing of rolling-stock and the liquidation of slow routes.

He did, however, add that the efficiency measures already underway should enable a turn around in the company's performance next year.

One of those measures includes a reduction in work force. Sip said that 75 managers have been replaced since July 1 and 1,000 office employees of the railways' general administration laid off, as well as 900 workers of the former regional administrations in Olomouc, Prague and Plzen. Next year, 15 to 25 percent of less effective workers from the railway services should leave, too. Sip said the railways' capacity should not be lowered by the measure, neither should some lines be abolished as was originally supposed.

The railways' aim now is to make the management of their organisation more accessible, to do away with the problems in certain connections and to up the quality of their operations with an emphasis on commercialisation of their services. This aim is reflected in the railway's new divisional structure, said Sip. This includes their new accounting system which was implemented in the first part of the year and has already brought clarity to the company's finances, as well as improved cooperation with road-transporters and regional offices.

He also wants to give a great deal of attention to the integration of personal railway transport and buses. I am convinced that both forms of transport will revive each other if they can work together, stated Sip.

Another change in the railways regards their accessibility to foreign and domestic capital, especially on the newly built lines with international connections, such as Berlin-Prague-Vienna.

The Czech Government is set to approve the sell-off of three local lines which private parties have shown interest in. For the meantime, Sip said, it will serve as a test-run to demonstrate the possibilities of this type of privatisation.

Meciar Not Expecting Quick Agreement With SNS*AU1308115393 Prague CTK in English 1725 GMT
11 Aug 93*

[Text] Bratislava August 11 (CTK)—Slovak Premier Vladimir Meciar does not expect a coalition agreement between the Slovak National Party (SNS) and his ruling Movement for a Democratic Slovakia (HZDS) to be concluded soon.

Speaking to journalists, he said the future of the coalition talks now depended on the SNS.

The coalition talks were launched in June as the economic situation started deteriorating and the opposition parties were pushing for early elections or creation of a coalition government which would replace the HZDS minority one.

The talks were suspended on July 31 due to disagreement on various political questions as well as filling government posts.

In connection with the current economic situation, Meciar claimed that there was no other political force in Slovakia but the HZDS capable of coping with it.

Either we do it ourselves, or in cooperation with somebody else, he said and added that one half of the population were now doing better than before the split of Czechoslovakia, the other one were doing worse.

Meciar is confident that the Slovak Parliament will not pass a vote of no-confidence on the government. But after return from his holiday—he did not say when—Meciar wants to discuss possible changes in the cabinet with President Michal Kovac. They have been postponed thus far due to the coalition talks with the SNS, he added.

The SNS has been interested mainly in economic posts.

Meciar said he had not been informed yet about the 17.5 billion SOK [Slovak koruna] (approximately 600 million USD [U.S. Dollars]) deficit of Slovakia as of August 9, announced by the Finance Ministry on Tuesday [10 August].

But he said he was not concerned about the figure adding that Slovakia's deficit can amount to up to 16.8 billion SOK without threatening the country's economic life.

Meciar Discusses Social Changes, Economy*AU1308170693 Bratislava REPUBLIKA in Slovak
7 Aug 93 p 5*

[Second installment of interview with Prime Minister Vladimir Meciar by REPUBLIKA reporters in Bratislava on 4 August; recorded by Stanislav Tomanek: "Political Tension Is a Result of Social Changes; Prime Minister Vladimir Meciar in Discussion With REPUBLIKA"]

[Text] Today we carry the second part of the discussion with Vladimir Meciar, prime minister of the Slovak Republic, in REPUBLIKA'S editorial office. We will be proceeding from moral considerations in politics, through to the pivotal problem of transformation—i.e., privatization—to domestic and international correlations. Parliamentary stability and the presidential system, the confidence of international organizations, and the prospects for the Slovak economy were the other issues discussed in the meeting.

[REPUBLIKA] Bratislava as the capital occupies an important position. First impressions tell a lot, and for this city they would not be very complimentary. Mr. Prime Minister, how do you perceive the problems and prospects of the Slovak capital?

[Meciar] It is quite clear that if Bratislava does not make use of its singular location, there is something wrong with the management. Bratislava, together with the region in the direction of Nitra and as far as central Slovakia, is perceived in Europe as the region with the greatest potential. Nevertheless, foreign investors interested in privatization complain about the poor welcome here, lack of understanding on the part of city officials, red tape, lack of interest in the talks—they feel as if they were being given the runaround. The skyrocketing prices of land enable even Vienna to compete with Bratislava. Prior to the elections, I suggested privatization of Bratislava Tesla to Austrian businessmen, but when they learned the conditions imposed by the city elders, they backed off. In other words, outrageous prices, bureaucratic apathy, and the lack of a work ethic lead to sanctioning local interests over everything else. If things were different, it would not be only 67 percent of the capital coming to Slovakia that ends up in Bratislava. The amount of capital coming into Bratislava could be doubled and even tripled. Therefore, a turnaround must be effected by means of elections, and through the legislative and organizational structure of the state bureaucracy.

[REPUBLIKA] Recently, probably within the context of coalition talks, the term presidential system of the Slovak Republic is gaining in usage. Do you believe that the emergence of this notion is a reasonable and feasible solution to the continuing political crisis?

[Meciar] We must consider that Slovak society is undergoing tremendous changes and is polarizing into the rich and the poor. So far the middle class, which should be a stabilizing factor, is absent and slow in forming. This structural change—i.e., the transformation from worker, to employer, to businessman—continues. The process of transformation has not been completed; many factory workers are still going to be laid off and will have to transfer to the service sector, where they have never worked before. Perhaps one-half of the current staff will work in the factories so that a high degree of efficiency can be achieved there. Hence, the rapidly changing society will also bring about changes in the political

parties, the electorate, and the politicians. The permanent unrest is transferred to political parties and through them to the parliamentary groups. The efforts to destroy some groups, including the Movement for a Democratic Slovakia one, are quite obvious. We have been avoiding such methods. The power system is built in such a way that the government must gain a majority in parliament so that laws are adopted. Today, everybody is shouting that we have a minority government but nobody seeks its downfall because any such attempt is bound to fail. The government has the support of the majority in the parliament, and even the party bosses could not make their deputies vote against this government. I am not saying that this will always remain so. Therefore a method for the stabilization of the parliament is sought. Some claim that this could be effected through new elections and laws that would stabilize the deputies' standing and professionalize their work. Others believe that the founding, dissolving, and merging of deputy groups does not matter, let everybody be friends with everybody else—but how about the necessity for governmental stability? If the people were to vote for the president directly, he would not be dependent on the parliament. Nevertheless, the deputies rejected this when they adopted the Constitution. If we take a look at countries in the midst of crises, we note stabilization trends independent of the parliament. Let us recall Poland, Ukraine; such tendencies exist also in Hungary, and others. Nevertheless, some deputies are well aware of not being able to "survive" the elections, and therefore criticize without actually wanting to remove the executive power. This results in contradictory statements and tensions in both political circles and society.

[REPUBLIKA] The health care system is the target of constant attacks. It apparently has something to do with consolidating positions before the expected privatization....

[Meciar] There are several ongoing changes in the health care system—the insurance system is changing, and some hospital facilities will cut down their workload or be closed. According to statistics and demand, 3,000 physicians may lose their jobs; less frequented hospitals such as Bratislava Kramare will not make it through. Of course, those that are threatened struggle for survival. It is a mistake that so far drug prices are not differentiated—one does not know which costs the citizen is to bear and which costs the state is to bear. The same applies to services. Even though the health sector deficit reached 900 million korunas, some directors prefer expensive furnishings for their offices to investing in the facilities. Since health insurance does not have any reserves, beginning in October the government will have to contribute. Although there is no shortage of drugs, the termination of wholesale distribution causes difficulties in distribution. Funds available last year were often used to purchase expensive technology that is utilized to just 3 percent of capacity. This sector should also be denationalized and privatized—particularly the pharmacies. I would like to point out that the much criticized health

sector is full of Christian Democratic Movement advocates. The Health Ministry section heads and directors of hospitals and other facilities have been recruited from this movement, or count among its supporters. That may be the reason for not allowing Deputy Prime Minister Roman Kovac, who is from the Movement for a Democratic Slovakia, into some of the buildings.

[REPUBLIKA] Businessmen keep complaining that the tax system is destroying them, as does the unclear legislation and other ailments....

[Meciar] Last year, as the two-year leases were expiring, businessmen thought this would be the end of them. It was not, and we see that their ranks have swollen. We try to create optimal conditions, and not only for businessmen. Objectively assessed, what bothers them most is the length of time necessary to process applications. If a pharmacist, for instance, applies for a license, he must be screened.... On the other hand, those who work in retail often carry their receipts. It does not bother these businessmen that farmers have no money for seeding. Some measures must be taken here. After all, retailers could not live without the primary producers. If they owe the farmers a billion korunas for milk and other goods, some penalty must be imposed. Opinions on taxes differ according to the way in which it suits the particular businessman. The state can allow tax reliefs for specific reasons; some regions, for instance, have been granted tax relief for up to three years. In business everywhere in the world, the decisive factors are courage and idea. The orientation towards manufacturing is necessary, however, because all of society cannot live off of trade. Businessmen will get credit guarantees for promising projects. There is plenty of money in circulation, but it must be circulated more quickly. After the recent devaluation, we can issue 20 billion non-inflationary korunas, but they must be used for good projects. According to the businessmen, so far the banking sector does not act very business-like, and it could be that in the final analysis only the banks will become rich, not businessmen and society. After consulting those involved, we will take some measures in this area.

[REPUBLIKA] Recently, the International Monetary Fund approved Slovak monetary policy. What kind of specific capital assistance can we expect after the recent visit of IMF representatives?

[Meciar] The International Monetary Fund expressed—according to its president—its full confidence in us. We obtained a loan of \$90 million, and the way to another \$300 million is open. We have received signals from the World Bank about \$1 billion for development projects. Slovak enterprises have open access to dollars, all they have to do is submit reasonable projects that would stand a chance in the world markets.

At recent talks with the Slovak National Bank representatives, we spoke about goals. Do not take this literally, but the ideal short-term goal for Slovak financiers is to catch up with the Germans, the medium-term goal is to

match the Japanese, and the future goal is to become a world center. Only if you set your sights high, do you have a chance of achieving something. We intend to establish a financial center in Banska Bystrica, because this city is the geographic center of Slovakia, a crossroads of communications; more than a half of the population works in services and the Finance Faculty [as published] has its place here.

Moravcik Reflects on Trip to ROK, Thailand

LD1208222493 Bratislava STV 1 Television Network in Slovak 1730 GMT 12 Aug 93

[Text] More intensive contacts with some Asian countries which have achieved unprecedented economic development in recent years will help us search for appropriate ways toward the economic development of the Slovak Republic. This is what Slovak Foreign Minister Jozef Moravcik has said in an interview about the results of his official visit to the ROK and the Kingdom of Thailand this week.

The foreign minister's trip to the ROK and the Kingdom of Thailand has created the political conditions for closer economic cooperation between the Slovak Republic and

these countries. In his view, an analysis should be made on options for economic cooperation which would result in specific projects.

Jozef Moravcik reaffirmed that both the ROK and the Kingdom of Thailand are interested in economic cooperation with Slovakia. The reason why both countries treat us as a prospective partner is also our advantageous geographical location in the central European region. Their representatives believe that the economy of the Slovak Republic has a chance to achieve internal dynamism and development.

Border Agreements Signed With Ukraine

LD1208170293 Bratislava Rozhlasova Stanica Slovensko Network in Slovak 1000 GMT 12 Aug 93

[Text] Slovak-Ukrainian agreements on joint borders and border arrangements and on cooperation and mutual assistance in border-related issues, as well as an intergovernmental agreement on the handing over and receiving of persons across the border, were initialed today in Bratislava by Interior Minister Jozef Tuchyna and Oleh Pervomayskyy, deputy chairman of the State Committee for the Protection of the Border of Ukraine. Jozef Tuchyna said that the documents, which enshrine in law the legal relations on the joint border, were prepared some time ago.

Antall Comments on German Talks, Health

*LD1308113093 Budapest MTI in English 1026 GMT
13 Aug 93*

[Text] Budapest, August 13 (MTI)—Hungarian Prime Minister Jozsef Antall spent his holidays in Germany this week and also met some senior German politicians.

Antall told the press on Friday that during his unofficial visit he also had medical treatment. He has been treated for non-Hodgkin lymphoma since October 1990.

Antall said although he now received regular medical attention, he was still totally capable of discharging his duties as prime minister and party chairman. His illness did not and would not prevent him from work and he did not intend to resign.

Talks in Germany, he said, focussed on Hungary's relationship with the European Community (EC), ties between NATO and east-central Europe, and issues of foreign and security policy. Leaders of both German governing and opposition parties assured him of support for Hungary's earliest admission to the EC.

However, for this, Antall said Hungary required stability in home policy and had to bring its economic, social and political systems in line with EC practice. He added that admission to the EC should show positive results for Hungary.

The German politicians welcomed Hungary's various forms of cooperation with NATO and that Hungary allowed AWACS [Air Borne Warning and Control System] to use its air space for monitoring the United Nation's no-fly zone over Bosnia.

Replying to a press question, the prime minister said if NATO operations over Bosnia changed such that AWACS stationed in Hungary had new tasks, it would create a new situation requiring a further decision by parliament.

The prime minister said he talked to the Germans about Hungary's home and foreign policy. Current problems, he said, were due to inherited situations, difficulties in the transition to a market economy and world economic recession.

Antall confirmed that the general elections would take place in the first half of 1994. The date would be set by parliament before its mandate expired on May 2.

Trade With Former Socialist Countries Reported

*AU1308123693 Budapest MTI in English 1243 GMT
12 Aug 93*

[Text] Budapest, 12 Aug (MTI)—Despite recession hitting Eastern Europe, former socialist countries accounted for a quarter of Hungary's trade, worth almost \$2.5 billion, in the first half this year, the International Economic Relations Ministry reports.

Ministry Deputy State Secretary Lajos Berenyi said Hungarian entrepreneurs had also shown great interest in neighbouring countries, with about 1,000 joint ventures in the region involving Hungarian interests.

In the first half, Hungary's trade with the Commonwealth of Independent States (CIS) was worth \$1.5 billion, of which 80-85 per cent was with Russia despite that country's solvency problems.

Although Russia cut back on imports by an average 50 percent, its Hungarian imports dropped by a smaller percentage.

Russian exports to Hungary were mainly oil, gas, chemicals and cars, while Hungary's exports to Russia were mainly buses, maize seed, medicine and aluminium oxide.

Hungary's agricultural exports to Russia dropped to one third compared with the same period last year, due to a grain shortage.

Of CIS countries, Hungary's second largest trade partner is Ukraine. In the first six months, Hungarian exports to Ukraine were worth \$80 million, while imports from Ukraine were worth \$50 million.

Hungary's trade with the Czech Republic and Slovakia in the first half amounted to \$160-180 million, similar to the same period last year, but with Poland it fell 10 percent to \$150 million.

Hungary's exports to Romania totalled \$100 million, while trade amounted to \$100 million with both Slovenia and Croatia. Talks are underway with Slovenia on a free-trade agreement.

Hungary had virtually no trade with rump Yugoslavia, and trade with Bulgaria and Albania dropped significantly this year.

Berenyi said Hungary's exports may increase to some countries in the second half, but no large improvement was expected. Hungarian trade missions in those countries might prompt some improvement.

Electoral Commission Changes Registration Decisions*LD1308182993 Warsaw PAP in English 1411 GMT
13 Aug 93*

[Text] Warsaw, Aug 13—The State Electoral Commission revoked a few decisions of constituency committees to register lists of the "Samooobrona" (Self-Defence) Farmers' Trade Union since the lists had been filed after the deadline at midnight on Tuesday night [10 August], the chairman of the State Electoral Commission told a press conference on Friday.

Andrzej Zoll stressed that the Commission must respect the law, which says that lists with candidates supported by at least 3,000 signatures or a certificate that a party does not need to collect signatures should have been submitted by midnight. The Commission hopes that the Justice Ministry will change its opinion on election campaign in prisons, where prisoners may listen only to radio election programmes but are denied access to television. Under the constitution all prisoners who have not been stripped of public rights are legible to enjoy full rights to elect their representatives.

Professor Zoll also said that the Commission received a protest of 7 election committees which want to change the airtime of free-of-charge election programmes. The Electoral Commission admitted that the broadcasts should come in the TV prime time but it left the final decision with the TV management.

So far, 685 candidates for senators from 149 election committees have been registered but this is not the definite number as a few cases are still being examined by court.

Military Examining Reports of Campaigning in Units*LD1308183793 Warsaw PAP in English 1447 GMT
13 Aug 93*

[Text] Warsaw, Aug. 13—National Defence Minister Janusz Onyszkiewicz expects the military prosecutor's office to explain by the end of the next week press reports on the "alleged violation of regulations to elect MPs [members of parliament] to the Sejm and the Senate by soldiers of active military service," Press Spokesman for the National Defence Ministry Lieut-Col. Leszek Ziolo said on Friday [13 August].

The spokesman said that Onyszkiewicz asked Chief Military Prosecutor Col. Ryszard Michalowski to conduct investigation into this case not only because of press reports but also due to similar information from garrisons. Ziolo said that some information had already been confirmed.

In his letter to the prosecutor, the minister says that should press reports be confirmed, "there is fear of the violation of regulations banning the carrying out of electoral campaigns" in military units and of "provisions on the non-political character of the Armed Forces and the non-party affiliation of soldiers."

Christian-National Union Stresses Taxes, Exports*WS1608100693 Warsaw RZECZPOSPOLITA in Polish
13 Aug 93 p 6*

[Report by "A.W.": "The Courage of the Coalitioners; Christian-National Union's Economic Election Program"]

[Text] Tax reductions, lowering interest rates on credits, and strengthening policies favoring exports — these are the main points of the election platform of the Christian-National Union [ZChN], which were presented Thursday [12 August] by the group's leaders: Deputy Prime Minister Henryk Gorzyszewski, Minister Jerzy Kropiwnicki, Minister Marek Zdrojewski, and Professor Wieslaw Chrzanowski.

The program, Deputy Prime Minister Henryk Gorzyszewski said, "is a consequence and a continuation of what ZChN has achieved in the last two years." Therefore, Deputy Prime Minister Gorzyszewski, just like Jerzy Kropiwnicki, chief of the Central Planning Administration, regards protection of the Polish market as the most important priority. Introduction of customs barriers is necessary to achieve that goal. On the other hand, it is necessary to promote exports of Polish goods, which would be supported by export guarantees.

As a measure designed to spur domestic production, tax reductions would be introduced for all those investing in Poland, especially in regions with high unemployment rates. The ZChN also wants credits to be cheaper. Asked by RZECZPOSPOLITA whether ZChN's election program envisages liberalizing the basis of the Central Bank, Deputy Prime Minister Gorzyszewski replied that the bank should always cooperate with the government. Minister Kropiwnicki, in turn, added that all possible mechanisms must be used for that purpose.

"We are not against Poland joining the EEC, but we do not want to take that step too soon," said the deputy prime minister. According to the party's leaders, Poland will be ready for a union with Europe only when the country is able to sell competitive merchandise in Europe.

According to the party's program, domestic investors should be favored in the privatization process. Because Poland is an agricultural country, the ZChN will push, among others, for a liberalization in the taking over of land of former state farms by private citizens, with the debt being ascribed to the property's real estate mortgage.

The party's leaders described the program as bolder and more consistent than the government coalition's program.

Democratic Union's Ideas on Curing Unemployment*LD1508192793 Warsaw Radio Warszawa Network in
Polish 1700 GMT 15 Aug 93*

[Text] The program for fighting unemployment, which is one of the platform priorities of the Democratic Union,

contains both instruments in the field of state economic policy and a list of actions addressed at specific communities. According to Marcin Swiecicki, a participant in a conference dedicated to fighting unemployment, the Democratic Union is one of two parties—the other being the Liberal Democratic Congress—which is putting forward an economically realistic program in this area. This is how he described its main provisions.

[Begin Swiecicki recording] It is enormously important that Poland should be open to foreign investments which create new jobs. There is still too little of this capital. There is 1 billion a year, whereas there could be 10 billion a year [sentence as heard].

Second, we are proposing investment allowances and various other actions for promoting the development of domestic capital. One such allowance has so far been introduced only in the areas facing the highest risk of unemployment. I am referring to the 50 percent allowance against investment expenditure which can be included in costs. We are proposing to extend this to other regions of the country. We are also proposing the development of credit guarantees for small and medium-sized enterprises.

We are also proposing intervention or public works—the construction of highways and of other linked projects, which would also increase the number of jobs.

Finally, the Union is also targeting specific communities. As far as women are concerned, we want to change the regulations somewhat, so that these will be more flexible and allow them to work part time. As far as young people are concerned, there is an idea to extend their training, to direct them into specific training programs. There is the issue of the disabled, where the Union has already done a great deal toward creating protected jobs. [end recording]

Ojczyzna Coalition Profiled

*LD1308132393 Warsaw PAP in English 1246 GMT
13 Aug 93*

[Text] Warsaw, Aug. 13—Only eight per cent of candidates of the Catholic Election Committee "Ojczyzna" (Homeland) have previous parliamentary experience. The leading candidates in 23 constituencies have never been a parliamentary deputy or a senator, Miroslaw Jakubowski from the Christian National Union (ZCHN) and Kazimierz Ujazdowski from the Conservative Party (PK), on behalf of the coalition, told a press conference on Friday.

Ujazdowski and Wieslaw Chrzanowski, ZCHN leader, top the lists in Warsaw, Aleksander Hall, PK leader, is a candidate in Gdansk, while other prominent ZCHN activists run in Radom (Jan Lopuszanski) in Lodz (Jerzy Kropiwnicki, head of the Central Office of Planning, and Stefan Niesiolowski, head of the ZCHN parliamentary floor-group in the outgoing Sejm), in Poznan (Marek Jurek of ZCHN along with Pawel Laczkowski, deputy prime minister from

the PCHD [Christian Democratic Party]). The oldest candidate is Aleksy Strzyzewski, aged 74, is to run in Bydgoszcz province, while Marek Kotlarski in Skierniewice province, who is only 21 years old, is the youngest. Almost 10 per cent of candidates are women.

The coalition "Ojczyzna" is convinced it will overcome the threshold of 8 per cent of votes required by coalitions if they are to secure parliamentary representation. It intends to strive for more resources for education from the state budget. It also wants to give more powers to police to make them more effective in looking after public order.

The coalition "Ojczyzna" comprises ZCHN, PK, the Peasant Christian Party (SLCH), the Party of Christian Democrats (PCHD) and the Federation of Polish Entrepreneurship.

Suchocka Supports Euroregion Initiative With Germans

*LD1408152393 Warsaw PAP in English 1508 GMT
14 Aug 93*

[Text] Gorzow Wielkopolski, Aug. 14—Prime Minister Hanna Suchocka, during her meeting held in Gorzow Wielkopolski on Saturday with provincial governors and representatives of local governments of communes located near the Polish-German border, said that the government supported initiatives to establish several Euroregions made up of Polish and German border areas.

She stressed the government was ready to provide indispensable assistance to these initiatives but would intervene in case they proved contradictory to the state's interests.

Suchocka voiced the opinion that cooperation within Euroregions may stimulate economic development of this part of Europe but pointed to the fact that up till now Poland had been denied access to EC funds earmarked for the promotion of transborder and regional cooperation.

Suchocka also announced the government planned to carry out a sweeping reform of the Central Board of Customs (GUC) and to allocate more funds for the construction of border crossings.

Earlier in the day, Suchocka visited a terminal for the clearing of lorries now under construction at the Polish-German border in Swiecko, Gorzow Province, designed to facilitate the movement of goods at this border crossing.

Kuron: Unemployment To Stay at 3 Million if GNP Increases

LD1508165793 Warsaw PAP in English 1625 GMT 15 Aug 93

[Text] Warsaw, Aug. 15—Labour Minister Jacek Kuron thinks that unemployment next year can be pegged to 3 million as long as gross national product increases by 5 per cent.

Speaking at an election campaign press conference for the Democratic Union (UD) in Warsaw on Sunday devoted to combatting unemployment, Kuron stressed that the costs of labour should not go up if unemployment was to be fought, since "an uncontrolled increase in wages can lead to a limitation on employment."

The UD plans to increase the number of jobs include tax relief for investors, an extension of the school leaving age to 18 with more general and less specialised schooling, and curbs on illegal employment combined with the creation of a system of employment insurance.

Marek Swiecicki of the Business Center Club maintained that one of the main ways of fighting unemployment was facilitating foreign capital investment.

Maria Skrupska, the director of the Olsztyn Employment Office emphasised that many people falsely claimed unemployment benefit by not revealing their true circumstances. For instance some earned more than half the average wage, others studied in colleges by listening in to lectures and there were also cases where people owned more than the benefit limit of 2 hectares of land.

New Nuclear Plants Needed To Overcome Pollution

LD1308132093 Warsaw PAP in English 1214 GMT 13 Aug 93

[Text] Warsaw, Aug. 13—"We think it is important to start implementing the November 9, 1990 Sejm resolution which provides for the first nuclear power plant to come on line by the year 2005," Jacek Burski, a member of the board of the Polish Nucleonics Association has announced.

The association is of opinion that the new generation plants should be installed in Zarnowiec, northern Poland—the site of Poland's only nuclear power plant whose construction was stopped in 1991 at a cost to the state budget of some 1 billion dollars—as the construction time could be reduced by up to 4 years and costs could be cut by some 100 million dollars.

At present, pollution-stricken Poland derives some 96 percent of its electrical energy from coal-fired power-stations, and no fume desulphurisation installations are used in the process, Burski said.

Poland plans to install environment-friendly technology in power plants at "Belchatow" in 1994 and "Jaworzno 3" in 1995. If installed, they will lead to a 30 percent reduction of sulphur dioxide emissions at Belchatow, and as much as 65 percent at Jaworzno 3. Currently, power plants and energy producing plants are responsible for some 90 percent of sulphur dioxide emissions, 40 per cent of nitrogen dioxide and 70 per cent of other fumes.

Furthermore, the coal mines themselves are major polluters. Some mines drain off waters whose level of salt is three times higher than that of the Baltic Sea. The Oder and Vistula rivers alone get as many as 5 million tonnes of salt annually during the process. This has serious implications for biological life in the rivers, lowers the quality of drinking water, causes the corrosion of vessels, water plants and cooling and water supply systems.

According to Burski, coal which causes deterioration of environment will have to be replaced by modern technologies. Poland should follow suit and as a result debt-ridden, unprofitable coal mines which are hazardous to environment and outmoded, barely-economical power plants should be closed down. Coal should be substituted with natural gas.

Forecast economic growth will lead to a rise in Poland's energy needs. They have dropped by 30 percent since 1988 because of the recession. But the country faces a rapid depletion of its domestic energy reserves over the next few years. If nuclear power projects come on line, Poland will be able to break the monopoly of fossil fuels in domestic energy grid, Burski said.

Burski noted that the association shares the opinion voiced in a report prepared by the Club of Rome, that the further growth of the world is impossible without nuclear power plants. Poland cannot stand to one side away from the international effort aimed at reducing the global emission of carbon dioxide to decrease the "greenhouse effect." Poland produces 3,290 tonnes of this hazardous substance per capita, twice as much as in France and much more than elsewhere.

32 Nations utilize 423 nuclear reactors with a total power capacity of 414.3 megawatts and another 74 are under construction. In nine countries one third of electric energy is generated by nuclear power plants (in France the figure is 78 percent and in Belgium 59 percent). Poland's neighbours plan to build 6 new nuclear power plants in the near future and the state of the art technology will make their utilization safe as its life will be extended to over 40 years.

Several opinion-making bodies have responded positively to the association-distributed resolution and supported the bid to start the construction of a nuclear power plant.

All-Out Railway Engine Drivers Strike Continues

More Unions Join Strike

AU1308175693 Bucharest Radio Romania Network in Romanian 1300 GMT 13 Aug 93

[Text] The employees of the Constanta "Palas" Railroad Company Depot, members of the Engine Drivers' Free Trade Union, have stated the following:

In connection with the Supreme Court of Justice decision to suspend the general strike of engine drivers, the trade union members and employees of the Constanta "Palas" Railroad Company decided to start striking by totally interrupting traffic beginning at 1400 local time [1100 GMT] on 13 August.

Of the essential services, only the marshaling of carriages used for military transports and of carriages used for transportation of children will be ensured. The communique is signed by the trade union leader, Dumitru Dragan.

Following the Supreme Court of Justice's issuance of a decision according to which the engine drivers strike is suspended for a period of 80 days, the Strike Committee Piatra Olt, which belongs to the Craiova Local Railroad Company, decided that beginning at 1300 hours local time [1000 GMT] the general strike will acquire the character of an all-out strike. This means that traffic will completely cease throughout the field of activity of the Piatra Olt Railroad Company Depot to include the Piatra Olt-Craiova, Piatra Olt-Sibiu, Piatra Olt-Corbu, and Piatra Olt-Corabia lines. The Piatra Olt Railroad Company Depot strike committee believes that the Supreme Court of Justice decision has no basis. The communique was signed by Mr. Ilie Balasa, deputy trade union leader of the Piatra Olt Railway Company Depot.

Our correspondent learned from Mr. Nicolae Moisa from the Cluj Railway Company Transport Controller Department, that the traction branch of the company communicated that in response to the Supreme Court decision taken this morning in connection with the strike, the trade union of engine drivers and of assistant engine drivers in the depots under the jurisdiction of the Cluj company will start an all-out strike. Our correspondent got in touch with the Cluj Depot trade union leader, Luca Tibrea, who stated that the Supreme Court of Justice decision is inopportune and illegal; that it is not the claims connected with salary issues that matter in the current conflict but the rearrangement of positions for all SNCFR [National Romanian Railroad Company] personnel.

Our correspondent learned from the head of the Pitesti Depot Work Administration Department that not one of the 19 diesel engines used for passenger trains, seven reserve engines for freight, and 10 steam engines is running. All employees adhered to the idea of an all-out strike.

The Regional Union of Free Trade Unions of Iasi Railroad Company announces—having learned about the Supreme Court of Justice decision to suspend the

strike of engine drivers and of assistant engine drivers, as well as of the decision of the 30,000 strike organizers within the federation of Free Trade Unions of engine drivers and assistant engine drivers to continue their strike—that it declares solidarity with the Federation of Free Trade Unions of Engine Drivers and Assistant Engine Drivers claims referring to the interests of the Romanian Railroad Company, and call on all responsible entities within the SNCFR and government to join them at the negotiation table to ease the situation that has been created with the renegotiation of the collective labor contract for 1993/1994. The communique states that the situation created within the SNCFR was caused exclusively by the attitude of its leadership and of the Romania's Government. The communique is signed by the regional union spokesman, Mr. Victor Condurache.

Union Leader Comments

AU1308164493 Bucharest Radio Romania Network in Romanian 1300 GMT 13 Aug 93

[Text] Mr. Ioan Vlad, president of the League of Free and Independent Trade Unions of Engine Drivers of Romania declared that the decision to continue the all-out strike is still in force.

Signs confirming this decision have been received from 30 out of the total of 57 depots and stations from the provinces.

Mr. Vlad stated that the major condition of the strikers is the observance of the conciliation report, issued in June. Likewise, he said that the strike leaders are ready to hold marathon discussions with top officials and would like all the negotiations to be held exclusively at the Federation's headquarters in Brasov, at the level of representatives of the Executive Bureau.

The president of the League also stated that he expects a viable solution before the trains start running and that so far he does not have an exact picture of the situation as far as the activity of the transportation of passengers and freight throughout the country is concerned.

Government Warns Strikers

AU1308174993 Bucharest ROMPRES in English 1544 GMT 13 Aug 93

[Text] Bucharest ROMPRES, 13/8/1993—As the Supreme Court of Justice of Romania has decided the strike to be suspended, its continuation entails penal, material, and disciplinary liability of participants, cautioned the Romanian Government, whose executive office met on Friday [13 August].

Acknowledging the decision of the Supreme Court of Justice on suspending the general strike and considering the release of the strike committee of the Brasov Railway Depot regarding the change of the strike into total strike, the Executive Office of the government expresses its utter surprise and worry about this irresponsible position.

The continuation of the strike and especially its turning into total strike, that would bring to paralysis the whole activity of goods and passenger transport, are very serious deeds that endanger the safety of railway transport and undermine the national economy, the communique reads.

We also mention that, as the strike has been suspended, further striking entails penal, material, and disciplinary liability, that the deeds of the persons who instigate to continuation of the strike in illegal conditions account for offense, according to the law of settlement of collective labor conflicts.

The Government urges all engine drivers and union leaders to observe legal provisions and the decision of the Supreme Court of Justice, to show sense of responsibility and be reasonable, to immediately stop the strike and resume activity.

Iliescu Comments

AU1308211093 Bucharest Radio Romania Network in Romanian 1900 GMT 13 Aug 93

[Excerpt] Romanian television is currently carrying an interview with President Ion Iliescu. After briefly reviewing his Latin American tour, President Ion Iliescu examined the situation of Romanian society and ended up, naturally, by commenting on the current strikes:

[Begin Iliescu recording] Our current economic situation, with all its consequences affecting the life of the people, is doubtlessly a source of dissatisfaction, as the current strikes prove. Therefore I would say that the strikes have quite real causes.

I understand the concern of the people about the depreciation of their purchasing power, inflation, and unemployment.

However, it seems quite strange to me that those who have gone on strike do not belong to the category that has the hardest life and the lowest incomes. It seems to me that those categories who have been making the greatest sacrifices over this period display more understanding for our difficulties.

We need that kind of understanding, a certain kind of social consensus, and the participation of the whole nation to overcome the current difficulties. [end recording] [passage omitted]

PSDR Condemns Strike

AU1308211193 Bucharest Radio Romania Network in Romanian 1900 GMT 13 Aug 93

[Text] Today the Central Executive Bureau of the Social Democracy Party of Romania [PSDR] published a declaration examining the current labor protest movement culminating with the railroad engine drivers' current strike, which continued and even amplified despite the decision taken by the Supreme Court of Justice. The declaration points out that the protests occurred at a

difficult moment for the country's citizens and for the national economy, and owing to the insecurity and material loss they created they actually make the transition period even more difficult.

The labor conflicts coming one after the other, the declaration says, demonstrate that the conflict tends to be transferred on the political plane, endangering both the continuation of the process of democratization and Romania's stability, precisely at a time when European institutions must make important decisions regarding Romania's joining, with full rights, of the Council of Europe, or such as the granting by the U.S. Congress of the most-favored-nation status.

PSDR addresses an appeal to the union forces and political leaders of the country not to encourage strike actions which have been declared illegal, but rather make efforts, by means of dialogue and responsibility, to settle the expressed demands.

Highlighting the great responsibility assumed before the public by the persons who initiated the illegal strike, thus violating the laws of the country, PSDR expresses its hope that the union leaders will comprehend the complexity and gravity of the current situation and will put an end to all strikes.

Talks With Management Resume

AU1408143493 Bucharest Radio Romania Network in Romanian 1000 GMT 14 Aug 93

[Text] A short while ago, our correspondent Mihai Seclean told us that the leaders of the Train Engineers' Free and Independent Trade Union Federation had new telephone contacts with the management board of the National Railroad Company of Romania [SNCFR] in an attempt to find a solution to the general strike.

Mr. Augustin (Iager), member of the Federation's Executive Bureau, told our correspondent in Brasov that efforts are being made to organize a new teleconference with the strike organizers in depots and sheds throughout the country.

This morning, Mr. Ioan Vlad, leader of the Train Engineers' Free and Independent Trade Union Federation, told our radio correspondent that last night the strike organizers rejected a SNCFR proposal to resume work and begin talks with the management board in Bucharest. The strikers demanded that the negotiations should be conducted in Brasov and that the strike should end only after the trade union claims are met.

This morning, Minister of Transport Paul Teodoru said that the strike seriously affects the national economy, which is on the brink of an overall catastrophe. Mr.

Teodoru emphasized his ministry's readiness to begin any negotiations at all, but added that work should be resumed immediately.

Union Issues Communique

AU1408185993 Bucharest Radio Romania Network in Romanian 1700 GMT 14 Aug 93

[Text] Our correspondent in Brasov, Mihai Secelan, was faxed a communique from the Train Engineers' Free and Independent Trade Union Federation addressed to President Ion Iliescu, Romania's Government, the Ministry of Transport, and the management board of the Romanian National Railroad Company [SNCFR]. Here is the full text of this communique:

We express our indignation over the fact that all kinds of threats coming from the government, the Ministry of Transport, and the SNCFR are leveled at the trade union members of our federation, while the signatories of the 16 June 1993 conciliation report—who, by failing to observe the pledges assumed through their signatures, are the moral authors of this conflict—are left untouched, despite the fact that they have steadily refused to end this conflict, from the very beginning.

We ask the institutions involved in this conflict—through their representatives that signed the conciliation report on 16 June 1993—to state their positions.

The communique is signed by trade union leader Ioan Vlad and the members of the Executive Bureau.

New Proposal by Railroad Management

AU1408185893 Bucharest ROMPRES in English 1706 GMT 14 Aug 93

[Text] Bucharest ROMPRES, 14/8/1993—The Romanian National Railway Corporation (SNCFR) states in a communique forwarded to ROMPRES Saturday evening that although the Supreme Court's final pronouncement says the general strike called by engine drivers should be suspended for the next 80 days, the organizers of the strike, in total contempt of the law and in violation of the law of labour conflicts and the union law, have proceeded to a total general strike.

Under these circumstances, the strike is even more seriously affecting the interests of the national economy. Important plants and various companies have made desperate appeals for the cease of the strike as non-supply to continuous fire installations threatens them with destruction at immense costs for the economy. The strike hurts the citizens' interests gravely.

Therefore the SNCFR board of administration addressed the organizing union the request to stop the strike and come to the SNCFR headquarters for talks to defuse the conflict.

The proposal was rejected but, considering the disastrous effects of the strike, the administration has come up with a new proposal namely the resumption of both

passenger and cargo traffic concomitantly with the beginning of negotiations, this time at Brasov.

In case of refusal to obey the decision of the Supreme Court of Justice and to discard their attitude defying the constitution and the rule of law, apt to jeopardise and undermine the national economy and the people's interests, the communique shows, "we see ourselves compelled to apply to the competent bodies for holding liable those who assumed the responsibility of the strike, in compliance with the laws in force."

Senate President Gherman Comments

AU1408190093 Bucharest ROMPRES in English 1739 GMT 14 Aug 93

[Text] Bucharest ROMPRES, 14/8/1993—Oliviu Gherman, president of the Romanian Senate, parliamentarians of Dolj County (central Oltenia), local officials and the management of the Craiova SNCFR [Romanian National Railroad Company] branch met in Craiova to examine the chances of deblocking this important railway terminal of Romania.

Invited to take part, the leadership of the local engine-drivers' union refused to join in the talks and demanded that those who want dialogue come down to the depot.

At the close of the meeting, Oliviu Gherman told the local ROMPRES correspondent that the matter had shifted from the sphere of labour conflicts to the question of whether or not we observe the rule of law. As long as there is a court ruling deciding the strike be suspended until 31 October, he said, the unobservance of this decision leaves the sphere of labour conflicts and falls into the sphere of defying the fundamental laws of the state. He cautioned on the consequences of the strike on the national security, as the entire traffic has been paralysed.

"We do not threaten anybody but we all have the duty to observe the principles of a democratic state and ensure national security. There are institutions in this country that are authorised to and will take the necessary measures, if strikers continue to disregard that national security is an aspect of prime importance that must not be jeopardised by rash actions," he said.

Brasov Negotiations Fail

AU1608082093 Bucharest Radio Romania Network in Romanian 0400 GMT 16 Aug 93

[Text] The all-out strike of the railroad engine drivers continues. The five-hour long negotiations held yesterday in Brasov between the members of the Executive Bureau of the Free and Independent Federation of the Railroad Engine Drivers' Trade Unions of Romania and representatives of the National Romanian Railroad Company [SNCFR], at which Transportation Minister Paul Teodoru and Brasov County Prefect Gheorghe Fulga were also present, did not defuse the current labor dispute.

The last part of the negotiations was also attended by Adrian Nastase, chairman of the Chamber of Deputies [and executive president of the Social Democracy Party of Romania], who addressed the strikers by means of the telephone conference equipment. Nastase suggested that the strike should be ended, after which official negotiations could begin today at SNCFR headquarters. Nastase also expressed his readiness to participate in those negotiations.

In a statement made later to one of our reporters, the chairman of the Chamber of Deputies said that his proposal had not been accepted, but he expressed his hope that a solution will eventually be found, because, in his opinion, those to whom he had spoken personally are fully aware of the negative economic and social consequences of their strike.

Yesterday at the Craiova depot Senate Chairman Oliviu Gherman met with the union leaders, the engine drivers, and the assistant engine drivers of that depot. During the talks Gherman insisted that the demands of the strikers should be exclusively dealt with on the basis of the principles of the state of law. Gherman also said he is ready to meet with the leaders of the engine drivers' union in other parts of the country.

Government Communique on Jiu Valley Situation

AU1308170893 Bucharest Radio Romania Network in Romanian 1300 GMT 13 Aug 93

[Text] We have received the following communique from the Romanian Government:

Today, 13 August, the Government's Executive Bureau held a meeting. The meeting came to conclusions on the end of the labor conflict in the Pitcoal Public Corporation, as well as further measures that the government has to take following the decision of the Strike Committee of the Brasov Romanian Railroad Company Depot to start an all-out strike, in spite of the decision of the Supreme Court of Justice to suspend the SNCFR [Romanian National Railroad Company] engine drivers' strike for a period of 80 days.

In connection with the situation in the Jiu Valley, the minister of industry, Mr. Dumitru Popescu, informed the Executive Bureau that as a result of the discussions held yesterday, 12 August 1993, the Administration Council of the Pitcoal Public Corporation will meet in Petrosani on Monday, 16 August, to establish the salary scale within the established limits and, on the basis of this scale, individual salaries for each mine will be negotiated in a week's time.

Similarly, it was established that the implementation of measures included in the program aimed at improving working conditions underground and above ground, as well as measures for social protection, health care, and other measures for the benefit of Pitcoal Public Corporation employees and their families, must be urgently

intensified. Within this context, the activities of introducing gas heating for domestic use and a water supply will be stepped up. Similarly, in order to ensure emergency medical assistance, the construction of the Lupeni Emergency Dispensary will be completed within the next three months. The necessary funds will be provided for the continuation of work at the Investigation and Diagnosis Centers in Lupeni and Vulcani and for equipping the centers in August 1993 with six ambulances. The government established that in the coming days, more intense monitoring will be organized in Jiu Valley localities in connection with the observance of legal norms regarding the establishment of consumer prices of goods and services and regarding the supply of goods.

In connection with the labor dispute with the railroad engine drivers, the government has decided that the Executive Bureau will issue a separate government communique regarding the development of the situation and the measures that will be taken.

PNTCD Opposes Special Parliament Session

AU1408181093 Bucharest ROMPRES in English 1651 GMT 14 Aug 93

[Text] Bucharest ROMPRES, 14/8/1993—Relative to the engine-drivers' strike, Valentin Gabrielescu, secretary general of the Christian Democratic National Peasant Party (PNTCD), told a ROMPRES correspondent: "If the Supreme court of Justice ruled that the strike be suspended, we have to accept this. As to the legitimacy of the strike, it is obvious that the government is at fault because it was supposed to solve the claims for which the engine-drivers went on strike before the strike went on, with the consequences we all know."

About the summoning of the Parliament in an extraordinary session, as the Civic Alliance Party proposed, the PNTCD secretary general said the strike was a problem concerning the government, not the Parliament, as long as the government was authorized to act, all along the Parliament's summer recess, as it deems fit. "We do not consider an extraordinary session as necessary. The government must handle their problems by themselves."

Industry Minister on High Wages for Miners

AU1208161693 Bucharest Radio Romania Network in Romanian 1300 GMT 12 Aug 93

[Text] During a news conference held today at Industry Ministry headquarters, [Industry] Minister Dumitru Popescu presented the current situation of the Pitcoal Public Corporation within the framework of the Romanian national economy, as well as his stance regarding the situation in the labor conflict in the Jiu Valley.

Popescu again expressed his satisfaction over the fact that the miners have resumed work, but said he was dissatisfied with the fact that during the 10 August meeting of the public corporation's administration board [with the miners' representatives] they signed a

collective labor contract stipulating a gross average monthly salary amounting to 226,434 lei, which is substantially exceeding the financial possibilities of the public corporation to actually pay those salaries.

Four of the total number of eight administration board members who attended the aforementioned meeting, including the representatives of the Industry Ministry and Finance Ministry, raised objections against that stipulation.

Minister Popescu said that today afternoon they are expecting the members of the Petrosani Pitcoal Public Corporation administration board to come to his ministry headquarters to jointly examine the stipulations of the collective labor contract and to clear up the divergent opinions of the various board members concerning those stipulations.

Referring to the subsidies granted to the Jiu Valley public corporation, Minister Popescu mentioned the fact that the ministers of industry, finance, and labor and social protection issued joint orders containing instructions on how those subsidies should be used by all mining public corporations, including the Petrosani Pitcoal Public Corporation. According to that document, the average monthly gross salary that may be granted amounts to 166,200 lei.

Government Grants Moldova Urgent Economic Help

AU1308203493 Bucharest Radio Romania Network in Romanian 1900 GMT 13 Aug 93

[Text] Today Romania's Prime Minister Nicolae Vacaroiu has received Nicolae Andronati, the deputy prime minister of the Republic of Moldova and chairman of the council for the coordination of Moldova's economic relations with Romania, who is on a brief visit to Bucharest.

The meeting was attended by Andrei Cheptene, the minister of external economic relations of the Republic of Moldova, Nicolae Ciorni, the general director of the Department for Energy Resources of the Republic of Moldova, and Aurel Danila, the ambassador of the Republic of Moldova to Bucharest. On the Romanian side the meeting was attended by State Minister and Foreign Affairs Minister Teodor Melescanu—who is also chairman of the inter-ministerial committee for Romania's relations with the Republic of Moldova—State Minister and Finance Minister Florin Georgescu, Industry Minister Dumitru Popescu, Marcel Dinu, state secretary of the Foreign Affairs Ministry, Cristian Ionescu, state secretary of the Ministry of Commerce, and other officials.

The discussions concentrated on issues related to Romania's economic cooperation with the Republic of Moldova, according to a communique released by the press office of the foreign affairs ministry. The talks highlighted the Romanian Government's determination to

offer support for the Government of the Republic of Moldova to surmount some of the economic difficulties currently facing it.

Mr. Nicolae Vacaroiu briefed his guest with respect to today's Government Executive Bureau meeting, which examined those issues and established several ways and means to achieve that purpose.

Subsequently, the two co-chairmen of the inter-ministerial committee, Messrs. Nicolae Andronati and Teodor Melescanu, together with the other personalities attending the meeting, examined concrete aspects of the current economic cooperation, agreeing on over the following main things:

Upon request of the Government of the Republic of Moldova, the Romanian side is to ensure monthly deliveries of certain quantities of gasoline, oil, diesel oil, and fuel oil for heating purposes on the basis of delivery charts to be worked out within the next few days. Effective deliveries are to begin in August 1993, their costs being partially or totally covered by deliveries of goods coming from the Republic of Moldova, as well as by certain financial facilities to be offered by the Government of Romania. In this sense the sides also examined possibilities of importing for the Romanian market or jointly exporting to third country markets certain quantities of sugar beet, sugar, wine, tobacco, canned meat, vegetables, fruit, and other merchandise.

The sides also examined possibilities of having certain financial facilities offered by the Romanian Government, namely having the short-term technical loan turned into a long-term one, the identification of new sources for long-term loans under advantageous terms, the offering of a technical loan for the delivery of fuel, and the use of the resources allocated in the Romanian state budget after Romania's Parliament has passed the bill on the financing of projects related to the economic, cultural, and spiritual integration of Romania with the Republic of Moldova. Details related to all these financial provisions are to be worked out within the next days by the Romanian Government.

The Romanian side outlined the possibility offered by Romanian industry to ensure the refining, subject to the appropriate cooperation agreements, of 2,000,000 to 3,500,000 tonnes of crude oil imported by the Republic of Moldova. This would cover the entire quantity of fuel needed by the Republic of Moldova.

The sides expressed joint interest in the intensification of cooperation in agriculture, including the Romanian side's offer to put warehouses or processing plants at the Moldovan side's disposal, for the storing or processing of agricultural and other food products, canned fruit, sugar, wine, and other goods.

Within the next days they will elaborate a new program of assistance offered by Romania in various economic and financial fields.

The sides also agreed to intensify direct contacts between the representatives of the two governments to work out all the details related to the mentioned agreements and also urgently put them into practice. At the beginning of next week a delegation comprising state secretaries of Romania's Ministry of Commerce and Food and the Agriculture Ministry is to go to Chisinau for that purpose.

Mr. Nicolae Andronati then expressed his gratitude for the support provided by the Romanian National Bank to Moldova's Central Bank in ensuring the amount of cash necessary for the normal circulation of money in that country.

At the end of the meeting, the two chairmen of the inter-ministerial committees paid tribute to the results of their current meeting in Bucharest, which was assessed as a significant contribution to the furthering of economic ties between Romania and the Republic of Moldova.

Vacaroiu Comments on Assistance

AU1308132393 Bucharest Radio Romania Network in Romanian 1000 GMT 13 Aug 93

[Text] At the end of the working meeting held this morning at Bucharest's Victoria Palace, Prime Minister Nicolae Vacaroiu made a statement for our radio station, which we will now present.

[Begin Vacaroiu recording] A working meeting was held today to discuss a single issue: the support for, collaboration, and cooperation that should take place in the coming period in our relations with the Republic of Moldova.

This involves things that, in my opinion, lie within our power even if we are also in a quite difficult situation. We have to seek ways and means to assist our brethren. In this sense, a concrete plan of action has been worked out. A number of specialists will go to Chisinau as soon as possible to establish Moldova's priorities. I am referring to the possibility of supporting them in the energy field with some fuels such as diesel oil and fuel oil for the coming period. We are examining opportunities to grant an advantageous new credit and to extend the current credit to the longer term, bearing in mind that Moldova is really experiencing particularly hard times, especially in the economy.

At the same time, the joint commission has already established a number of objectives, which were discussed during the visit paid to Romania by President Snegur and Prime Minister Sangheli. Today's meeting reviewed these actions and what we now want is that this program materializes and is applied rapidly. This is a first step.

Over and above this program of action agreed upon during the joint commission's session, we plan a number of new actions of cooperation and collaboration, as well as of support for capitalizing on certain Moldovan products on foreign markets where we are already recognized. Thus, as you see, this is a very broad range of actions.

Last, but not least we discussed issues linked to culture, to ensuring textbooks, publications, and making sure that Romanian newspapers are available in Chisinau. Unfortunately, the Romanian press is no longer present in Chisinau. Thus we are pursuing very many objectives. We have set up a team within the Ministry of Commerce to deal exclusively with these questions, in cooperation with representatives of other ministries; they have to take care of these questions and will periodically report on how the concrete program—which will be worked out by next week, probably Thursday—is being implemented. Certainly, this program will also be discussed by the government. [end recording]

Iliescu Views Moldovan Events

AU1208140193 Bucharest ROMPRES in English 1131 GMT 12 Jul 93

[Text] Bucharest, ROMPRES, 12/8/93—In a statement made Thursday, 12 August, Romania's President Ion Iliescu termed the vote by which the Parliament of Moldova rejected the Almaty Charter for the set-up of the Commonwealth of Independent States, signed on 21 December 1991, as "the democratically expressed will of a sovereign and independent state, which thus reasserts the fundamental option of its citizens for the development and consolidation of its independence, for maintaining unaltered the prospects for social and economic development in the natural framework of the European space to which the Republic of Moldova is connected not only by its historical ties with Romania but also by the contemporary aspiration for emancipation and return to the European sources that have formed the background of its civilization and culture," the Romanian head of state said.

While showing that the Republic of Moldova is passing through times of economic hardship, the president of Romania expressed the solidarity with the sister country of Moldova "at this historical moment of crucial choice" and the wish of acting in such a way as to enable Romania extend all its support, "like a sovereign state to another sovereign state."

President Iliescu addressed the Romanian Government the appeal to examine in the shortest possible time the possibilities for an adequate and urgent economic support apt to cover the basic needs, mainly connected with fuel supplies and the capitalization of Moldova's food production. Romania has enough technical capacity, he said, to help Moldova transport and process its rich agricultural production this year.

The president also referred to the fund endorsed by the parliament of Romania for integration activities, a fund to which the state budget alone has contributed 6 billion lei this year. In the context of a deep economic crisis,

part of this fund could be used for the purchase of products of utmost necessity, such as the diesel oil for the agricultural campaign.

"We respect the independence of the Republic of Moldova and wish to act in order to strengthen it. But the political independence of any country is closely tied to its economic independence and the latter is impossible if the country has limited possibilities of choosing its economic partners."

"Our offer for economic assistance to the Republic of Moldova comes when Romania itself has to cope with difficulties, but it is well motivated by brotherly solidarity, so as Moldova, too, was at our side in the moments of crucial importance for us in December 1989."

"The time has come for us to give our words the substance of facts, and I, as the president of Romania, am therefore appealing to the country's political forces, the parliament, the government, the industrial and agricultural units, local authorities, non-governmental organizations to render the Republic of Moldova concrete help and back its citizens efforts to surmount the difficult economic and social situation in which their country is."

Government Attitude Toward Moldova Viewed

*AU1308181693 Bucharest AZI in Romanian 11 Aug 93
p 3*

[Article by Catalin Tolontan: "Bessarabia's Future Was Decided in Bucharest"]

[Text] The fierce political battle currently being waged in Chisinau cannot be understood without looking at the Romanian side also. There is a connection between the visit paid by President Snegur to Bucharest and the struggle of anti-unionists to dissolve the Chisinau Parliament, and no matter how hostile we would be to the "little scenario" we cannot help commenting on it.

On 17 July, when the presidential plane of the Republic of Moldova landed at Otopeni Airport, the mass media which is subservient to the government spread the rumor that the meeting was aimed at dispersing rumors about diminishing relations between the two countries. Thus, the idea was present throughout the visit. However, as the daily ADEVARUL remarked immediately after the meeting, the 24 "fraternal" hours lapsed into 9 "friendly" hours.

After the meeting of the two delegations and after the face-to-face meetings, a visit to the parliament took place. President Snegur held talks with Messrs. Nastase and Gherman [presidents of the two chambers of the Romanian parliament]. The statement given to Radio Romania at that time were cryptic. "We believe that we have to be much more imaginative and active in finding

formulas and solutions" said Mr. Nastase. And we are terribly afraid that he kept his promise and found a "solution."

Still, during the visit the BBC noted that we are witnessing a subtle deal. Moldova was oscillating between offers made by Romania and Russia's offer, hidden in the not so shiny wrapper of the CIS. Three days before arriving to Bucharest, President Snegur held a pathetic-apocalyptic speech on Moldovan radio and television. He emphasized what he called "the dramatic nature" of the situation in Moldova, presenting a somber picture of a nation in which the pace of bankruptcy was exceeded only by the pace of inflation. What could the poor Moldovan citizen do? Anyway, it is not he who has to act but someone else. But who?

We do not know how the discussions progressed in Cotroceni. Wooden statements overwhelmed the two presidents' news conference. But we believe that between Mr. Snegur and Mr. Iliescu a pact of silence was established. Since Romania could not lend Moldova a helping hand, it promised not to scream when the Chisinau leadership chose the Moscow alternative. This pact is still respected today, under our own eyes.

The Bessarabian Parliament's rejection of the Republic of Moldova's integration in the CIS was received by the Romanian Government and the ruling party with "joy" comparable to that felt by a pensioner living on the ground floor upon hearing the noise made by a teenager in the apartment above who turns the volume on his stereo to the maximum. The surprise made the conservatives in Moldova almost go into shock and embarrassed the Romanian officials. After an ambiguous declaration issued by the Ministry of Foreign Affairs... there was silence. Our newspaper, in trying to gauge the government's reaction to the pro-Russian frenzy in Chisinau, reached Mr. Dragos Paslaru, PDSR [Social Democracy Party of Romania] spokesman. He did not make a convincing statement. However, what surprised us was the attitude displayed by Mr. Mircea Druc [former head of the Christian Democratic Popular Front of Moldova and former candidate for the Romanian presidency]. He said to one of our correspondents on the phone: "Come on, is there a problem? You should write instead that I travelled from Suceava to Bucharest and noticed that the corn has not been harvested. Come on, let us all join in and settle problems in Romania."

At that moment I was sure that they were playing with marked cards. And his reply that "we are small and others decide for us" is an obvious hypocrisy. The decision to leave Bessarabia to struggle alone with its difficulties was made in Bucharest. Without passing a verdict, we believe that the time for wasting our opportunities has passed. Now we are only hurting ourselves, and continue to do so.

Minister Teodoru Interviewed on Petromin Affair*AU1208162593 Bucharest CURIERUL NATIONAL in Romanian 10 Aug 93 pp 1, 3*

[Part two of interview with Transportation Minister Paul Teodoru, by Cristina Oroveanu; place and date not given: "Paul Teodoru Decides To Lay the Cards on the Table"]

[Excerpts] As yesterday's edition of our paper emphasized, Mr. Paul Teodoru, minister of transportation, has decided to lay his cards on the table, so to speak, in connection with the well-known "Petromin-Forum Maritime deal." [passage omitted]

[Oroveanu] Mr. Minister, a direct question: Was the law violated when such contracts were concluded or not? [passage omitted] Does the information that the government and your ministry have at their disposal reveal other instances of the law being violated?

[Teodoru] Generally speaking, there is a legislative channel for joint companies that should normally be followed and observed. What happened with the contract with the Ermis company is relatively valid for any of the joint-venture type of companies set up in the respective period. These companies make up approximately a quarter of Petromin. [passage omitted]

[Oroveanu] Mr. Minister, you are evading the question. Let us return to my question: In your opinion, does the information you possess indicate that the law was violated when these contracts were concluded?

[Teodoru] I am indeed of the opinion that Romanian law was not fully observed when these joint ventures were set up. [passage omitted] I think that there should have been greater guarantees for the Romanian side and that international freight rates and their development should have been followed. It was necessary to ensure a minimum of money to amortize the initial expenses of the Romanian side. This is my view. [passage omitted]

Constantinescu Calls For CDR-Led Government*AU1108051493 Budapest MAGYAR NEMZET in Hungarian 7 Aug 93 p 4*

[Interview with Emil Constantinescu, president of the Romanian Democratic Convention, by Zsolt Ivan Nagy in Illyefalva; date not given: "The Romanian Opposition Would Accept the Task of Governing Even in a Crisis"]

[Text] Emil Constantinescu, the president of the Romanian Democratic Convention [CDR], also participated in the liberal symposium held in Illyefalva [Ilieni in Romanian]. We interviewed him there.

[Nagy] In your lecture at the conference, you called the idea of a national unity government some kind of manipulation. Does this mean that, if the possibility of such a government arises again in autumn, the CDR will take a similar position as last year?

[Constantinescu] This question has several aspects. The way President Iliescu made his relevant proposals in autumn 1992 would have meant nothing else but the continuation of the principle of "all the nation along with the general secretary." In our view, in that situation, this would have been catastrophic for Romanian democracy. The elections themselves would have become dubious, because the democratic forces would have become mixed up with the forces symbolizing the continuity of the old regime. The decision of the CDR to accept even a minority government of Iliescu's party was justified, all the more so because the past year proved that the Democratic National Salvation Front did not have a strategic program able to lead the way out of the crisis, a program whose existence they kept proving. When the CDR submitted a no-confidence motion on the government's program, our goal was to show what forces were supporting this program.

[Nagy] Does this mean that this was a test to make it clear who plays with whom?

[Constantinescu] Yes, precisely so. This was a test aimed at making it clear which people accept responsibility for this program: one of the government's group of experts, the minority cabinet itself, or a majority made up of the Democratic National Salvation Front, the nationalist-communist Greater Romania Party and the renamed communist Socialist Party of Labor. I stress that this was our goal, and we achieved what we wanted, and we did not take this step when the government decreased the state subsidies and there was great dissatisfaction among the population.

The current Romanian political situation is characterized by a relative calm, thanks to a party discipline characteristic of the old regime; however, this calm is coupled with a long-term uncertainty. The reason for this is that it is impossible to harmonize the government's declared intentions with the possibilities at its disposal. It is impossible to introduce reforms when the government is supported by parties like the Socialist Party of Labor that opposes changes, and it is impossible to count on integration with partners like the Larger Romania Party, a party that has clearly fascist aspects. Reforms cannot be delayed further, because the economic crisis can lead to very serious social consequences.

Therefore, the CDR recently worked out and presented a program which, in our view, provides an opportunity for extricating ourselves from the current situation. This plan exists, and the citizens should know about it, and they should also know that there are solutions to the most serious problems. We also coordinated our ideas with the party led by Petre Roman and, thus, at the moment, we are supported by 47 percent of Parliament. What next? Naturally, the decision is in the hands of the government and we cannot rule out the possibility that, for "cosmetic" reasons and to change Romania's image in the West, Iliescu will try to bring some opposition figures into the government. In our view, we need more than that; a solution would be for the CDR to lead the

government. Naturally, on the basis of subsequent negotiations, the CDR could also bring other parties and factions into the government, if they accept the program worked out by the CDR.

[Nagy] Including the current governing party?

[Constantinescu] In principle, every party that joins this program can be considered, except for the extremist parties, but such principles are in any case unacceptable to them. Thus, we do not exclude the possibility of cooperating with the moderate wing of the Democratic National Salvation Front either.

[Nagy] In your view, what are the chances of such a "change in government?"

[Constantinescu] If there is relative calm in the country, we will have very little chance. However, the situation could become so tense that the government might hand over power, even in order to compromise the democratic forces. Well, we are ready to accept the responsibility of government even in a crisis.

Ministry Reports on Industrial Production Growth
AU1208140393 Bucharest ROMPRES in English 1042 GMT 12 Aug 93

[Text] Bucharest, ROMPRES, 12/8/1993—The 9.7 per cent growth of the industrial production over the 1992 monthly average shows a slight tendency to recovery, says a report of the Ministry of Finance on the course of the main economic indicators of the Romanian economy, carried by the daily newspaper ADEVARUL. Compared to May 1993, Romania's industry produced 1.7 per cent more if related to the number of working days, and 4.9 more in absolute figures. Exports in June 1993 went up by 9.7 from the previous month and imports went 18.7 per cent down from the same month, which generated a trade balance surplus of \$9.8 million. The budget deficit over the first semester 1993 was \$523.5 million, that is \$152.2 million below the deficit of the corresponding period last year.

The data indicate that the state budget, which holds the bulk of the national public budget, reported expenditures in excess of the revenues and yet the deficit recorded, in the worth of 174.7 billion lei, is below estimated figures for the period in question.

UN Spokesman Says Serb Withdrawal From Igman 'Success'*AU1508135993 Paris AFP in English 1142 GMT
15 Aug 93*

[Text] Sarajevo, Aug 15 (AFP)—The long-awaited Serb withdrawal from Igman, the strategic mountain overlooking the southwestern approach to the war-racked Bosnian city, "is a success", the U.N. forces spokesman said Sunday [15 August].

"A Serb unit comprising less than 200 soldiers and 10 trucks had still not withdrawn from the limits stipulated by the United Nations and agreed by the Serbs, but were awaiting transportation to do so," Commander Barry Frewer told a news conference here Sunday at noon.

However, Frewer confirmed that the retreating Serb forces had left a trail of destruction in their path as they came down the mountain.

The majority Moslem Bosnian Army fired some shots at the retreating Serb convoys but this did not affect the withdrawal process, Frewer added.

"Small pockets of Serb forces might still remain in the mountains, but they're not in any position to threaten the withdrawal process which we consider a success based on our patrols and monitoring," Frewer said.

Some 250 French soldiers were patrolling the buffer zone between the Serb and Moslem army, "but only to keep watch—not to confiscate arms," Frewer added.

Bosnian President Alija Izetbegovic said Sunday on Radio Sarajevo that he "thought peace negotiations" would resume Monday in Geneva, adding that his government had "no other choice" but to accept the partition of Bosnia-Herzegovina along ethnic lines.

Since August 1 Izetbegovic has boycotted the peace talks, insisting he would only return when the Serbs had withdrawn from Mounts Igman and Bjelasnica.

UN Forces Take Over*LD1608110493 Belgrade TANJUG Domestic Service in
Serbo-Croatian 0934 GMT 16 Aug 93*

[Text] Bratunac, 16 Aug (TANJUG)—The deployment of UN Protection Forces personnel on Mounts Igman and Bjelasnica has finally been completed on all 13 positions, although the Muslim side attempted to prevent or slow down that process by launching attacks, a TANJUG correspondent was told today by the general staff of the republic of Srpska army [VRS].

During the UN deployment on the mountains surrounding Sarajevo four positions were even targeted in organized Muslim attacks.

Members of the French "blue beret" battalion took up their positions in the area of the Tresnjevo hill on Mount

Igman only after they had repelled a fierce Muslim attack in cooperation with Serbian units, the VRS General Staff claims.

The same source has said that a new order to all VRS units has been issued setting out precise instructions on the observance of a cease-fire, except when using the right to self-defence.

The order even precisely sets out that all ammunition has to be registered and each commander must submit a detailed report to the VRS General Staff about its possible use.

The Serb side even went a step further: it has notified Vere Hayes, the UN Protection Force chief of general staff for former Bosnia-Herzegovina, who is planning to brief the cochairmen of the conference on former Bosnia-Herzegovina about the Serbian units' ammunition lists.

By redeploying its troops on Mounts Igman and Bjelasnica on positions that it held before 30 July and having done everything for the restoration of traffic between Mostar, Zenica, and Sarajevo, primarily for humanitarian reasons, the Serb side has again confirmed its firm resolve for a political rather than military settlement in former Bosnia-Herzegovina, the VRS General Staff said.

Muslims Allegedly Attack Igman*AU1508143193 Belgrade Radio Beograd Network in
Serbo-Croatian 1300 GMT 15 Aug 93*

[Report by Marica Lalovic]

[Text] General Briquemont, the commander of the peacekeeping forces in the former Bosnia-Herzegovina, announced today at a meeting with the commander of the muslim army, Rasim Delic, that the Serbian forces had withdrawn from Mt. Igman and Mt. Bjelasnica. Briquemont stressed that the UN Protection Forces [UNPROFOR] observers had taken over all the checkpoints on those mountains, and added that he hoped that after such a concession by the Serbs, the Geneva negotiations would be more successful.

The information that the Serbs had withdrawn from Mt. Igman and Mt. Bjelasnica was confirmed at a news conference by the UN peace forces' spokesman in Sarajevo, Barry Frewer. According to Frewer, only one group of around 200 Serbian troops still remained on the demarcation line on Mt. Igman. The group is waiting to leave this area which—according to Frewer—will probably happen in the course of the day.

Handfuls of Serbian soldiers that can be found on the demarcation lines, said Barry Frewer, present a danger to the withdrawal process. He added that yesterday afternoon the Muslims fired at members of the Srpska army on the western part of Mt. Igman while they were withdrawing. After the Srpska army had withdrawn from Mt. Igman at around 1900, the Muslim forces fiercely

attacked these positions. Tresnjevo Brdo came under particularly fierce fire and was later taken by the Muslims. UNPROFOR members were also attacked. They were forced to respond fiercely and to take shelter among the Serbian soldiers. UNPROFOR had to defend itself from the Muslim attacks. Spasoje Copic, commander of the Srpska army Igman Brigade, said that the Muslim attack on this part of Mt. Igman had been fierce. Therefore, Rasim Delic's signature, obliging the Muslims not to move their lines and not to attack this extremely important mountain in the vicinity of Sarajevo, no longer applies. An official UNPROFOR statement is expected on last night's clash on Mt. Igman.

On the orders of the British and Swedish Governments, an evacuation operation of some 40 wounded and seriously ill people from Sarajevo began this morning. The first group of 21 patients left Kosevo hospital accompanied by UNPROFOR, while the departure of the other group of 18 patients, due in Sweden, has been scheduled for 1600 this afternoon. The British doctor who came to Sarajevo to assist with the evacuation of the wounded said that in his opinion, the evacuation list includes persons who only need house care, while there are no seriously injured persons on the list.

Serbs Permit Power To Be Restored to Muslim Sarajevo

LD1308202893 Belgrade TANJUG in English 2005 GMT 13 Aug 93

[Text] Belgrade, Aug 13 (TANJUG)—The Moslem sections of Sarajevo received electricity on Friday afternoon [13 August], after Bosnian Serbs permitted the Reljevo-Buca Potok power line to be reconnected, the Bosnian Serb News Agency SRNA said.

SRNA quoted the cabinet of the Bosnian Serb premier as saying that the Serbs had honoured before the given deadline an agreement to this effect reached by joint military teams at Sarajevo Airport, but the Moslems had not reciprocated by permitting the recommission of the Sokolac-Vogosca power line, which should give light to the Serb sections of the city.

SRNA said that the Serb side would approach the U.N. Protection Force (UNPROFOR) to intercede with the Moslems on Saturday to permit the restoration of power to the Serbs in Sarajevo.

Sick, Wounded Evacuated From Sarajevo

LD1508163593 Belgrade TANJUG in English 1537 GMT 15 Aug 93

[Text] Belgrade, Aug 15 (TANJUG)—Twenty-one sick and wounded adults and children arrived at the Italian Adriatic air base of Ancona on Sunday [15 August] on the first leg of an airlift to Britain, Reuters reported.

The seven children and 14 adults, with 18 family members, were to be transferred from the British Hercules

transport aircraft to a specially-equipped ambulance plane for the second part of the trip.

Dr. Patrick Peillod, head of the U.N. medical evacuation committee in Sarajevo, said the medical airlift in Sarajevo has turned into a public relations show, parading sick and wounded children like "animals in a zoo".

Dr. Peillod also said the evacuation had been hijacked by a British team with orders to please public opinion back home.

Dr. Peillod said there were children who could have waited weeks or months to be evacuated, but were included on the list to please public opinion.

Western media have also turned the withdrawal of Bosnian Serb troops from mountains Igman and Bjelasnica overlooking Sarajevo into a media show aimed at intensifying anti-Serb reactions in their countries. They, however are hiding the truth about Moslem-Croat conflicts in Bosnia-Herzegovina, which are causing numerous casualties and destruction. Due to the fighting between Moslems and Croats, roads which are used for humanitarian transports to Sarajevo cannot be used.

On Saturday alone, forty-six soldiers on both sides were killed in fighting between Bosnian Moslems and Croats in Mostar and the vicinity (central Herzegovina).

Serbs Open New Humanitarian Corridors to Sarajevo

LD1408155793 Pale Radio-Televizija Republike Srpske Studio-S Radio in Serbo-Croatian 1300 GMT 14 Aug 93

[Excerpts] [Reporter] A news conference was held today in the office of the Srpska republic's government in Pale. The conference was hosted by Srpska republic prime minister Vladimir Lukic, and deputy commander of the general staff of the Srpska republic army General Milan Gvero. [passage omitted] The journalists were addressed by republic of Srpska prime minister Vladimir Lukic.

[Begin recording] [Lukic] On 17 July last year I was authorized by the presidency of the republic of Srpska to offer an agreement on the freedom of movement of Sarajevo citizens. Had the Muslim side accepted this agreement, which provided for ten points of exit and entrance into the city, I am convinced that the war would have ended long ago, at least in the city of Sarajevo. However, a few days ago at Sarajevo airport where talks on opening the roads were held, I again proposed free movement of citizens in all directions. [end recording]

[Reporter] As a gesture of goodwill from the Serbian authorities and the Serbian people, Lukic recalled that two more humanitarian corridors were opened: Sarajevo-Ilidza-Pazaric and Sarajevo-Rajlovac-Ilijas-Zenica. Last night the electricity supply was restored to Sarajevo, but the Muslim side did not allow a UN Protection Forces team to repair power lines in Vogosca [Serb-held

suburb in Sarajevo]. Lukic also pointed out that a forceful mobilization of Serbs is being carried out in Sarajevo, Tuzla, Zenica, and some other Muslim-held cities. The deputy chief of the general staff of the republic of Srpska army General Milan Gvero spoke about the military aspect of the current situation. He thinks that the current period is marked by an offensive of peace and that Serbs will be successful in the struggle for peace as they were successful in the struggle to defend themselves.

[Begin recording] [Gvero] In the military respect I can assure you that the Serb side has fulfilled all the conditions for the peace process to be resumed. The republic of Srpska army is fully observing the cease-fire. Military activities have ceased unilaterally on our part in many parts of the front. We are meeting our obligations in the areas of Igman, Bjelasnica, and Sarajevo. Humanitarian aid is reaching its destinations unhindered. All agreed upon routes to and from Sarajevo have been opened. All agreements calling for us to respect the procurement of fuel, gas, and other products are being respected. Our side is not initiating any military activities around Sarajevo. In other sectors of the front our side is static. Despite this the Muslim side is constantly engaging in dangerous provocations. [end recording]

[Reporter] At the end of the conference General Gvero informed the journalists that the UN forces have occupied 10 points on Igman and that the withdrawal of the Serbian forces should be completed by 1600 today and this removes all the reasons for putting any blame on the Serbian side.

Sarajevo Radio Reports All Fronts 'Calm'

AU1608094593

[Editorial Report] Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian at 0800 GMT on 16 August within its regular 12-minute newscast carries several reports on the situation in the Republic.

The studio announcer says that "it has been mainly calm on the Bosnia-Herzegovina fronts over the last 24 hours. The aggressor has carried out occasional provocations, mainly with small arms or small-caliber artillery shells. This morning, 16 August, has also seen occasional provocations."

A report from Zavidovici by the Bosna Operation Group says that "on the Zavidovici front, yesterday afternoon saw occasional provocations by the (?Serbian) aggressor and extremist forces of the Croatian Defense Council. There was somewhat more intense activity along the defense lines of Dubravice, (?Dolina), and [name indistinct] with anti-aircraft machine guns, submachine guns, and other small arms [words indistinct]. Later in the day, the aggressor's snipers continued their activity against populated places near the fronts. At dusk a Zis [expansion unknown] and 80-mm mortar fired several shells at Dubravice and the town itself from the aggressor's strongholds on the left bank of the river. There were

occasional provocations by the joint aggressor forces overnight but the Bosnia-Herzegovina Army did not respond to these. Enemy provocations have continued into the morning with submachine-gun, sniper, and small arms fire at Dubravice, with small arms fire at (?Dolovi), and with anti-aircraft machine-gun and mortar fire at (name indistinct)."

A report from Olovo by a correspondent whose name is indistinct says that "attacks on the free Olovo territory, albeit of a lower intensity, continued yesterday. There was occasional tank and mortar shelling from the chetnik strongholds." The report also says that "this morning is rather calm in Olovo."

An Army Information Service report from the Kladanj front states that "enemy provocations using anti-aircraft guns and anti-aircraft machine guns, as well as small arms [words indistinct] have continued on the Kladanj front over the past 24 hours. The chetniks from their known strongholds in Hadzici and (?Dolik), as well as Pelagici and others were active yesterday. Although the cease-fire is still being violated, one can nonetheless assert that these activities are of a somewhat lower intensity, particularly mortar and artillery attacks on populated places."

In his report from Gracanica, Omer Delic says that "there was no peace on the fronts covered by the Gracanica Operation Group yesterday." Delic says that "last night, after long enemy provocations against Gracanica, (?Mirici), and Orahovica, our brave defenders managed to destroy an enemy anti-aircraft machine gun, a strongpoint, and a house in which aggressor soldiers had been spotted."

"As regards the Doboj battlefield, a Bofors gun continuously targeted the defense lines [words indistinct]. On the Lukavac battlefield, a tank positioned at (?Sizje) pounded (?Dobosnica) and a 122-mm howitzer launched three shells from (?Suhara) at Lukavac. Despite all the enemy provocations and attacks, the defense lines are still stable and unchanged, the Information Service of the Gracanica Operation Group announced today."

Serbs Say Muslims Breaking Cease-Fire in Sarajevo, Doboj

LD1608112093 Belgrade TANJUG Domestic Service in Serbo-Croatian 1040 GMT 16 Aug 93

[Text] Bratunac, 16 Aug (TANJUG)—Despite the signed cease-fire throughout the area of former Bosnia-Herzegovina, Muslim formations are not halting their attacks on Serb positions, especially on the Sarajevo and Doboj [northeast Bosnia] battlefields, TANJUG has learned from the army of the republic of Srpska [VRS].

Muslim snipers have been in action firing from the general area of Sarajevo at Serbian sectors of the city over the past 24 hours, while Rajlovac was attacked by mainly 82 mm caliber mortars.

In the Doboj region, Muslim attacks have, to all intents and purposes, stopped, as have attempts to infiltrate sabotage-terrorist groups into Serbian territory across the river Bosna.

There were also attacks by Muslim forces in the Majevica area, especially around Lukavica, as well as in other places, they say in the VRS headquarters.

It is stressed that the Serbian side is consistently respecting the signed cease-fire agreement, making use exclusively of their right to defend themselves.

Fierce Fighting Between Croats, Muslims Around Mostar

LD1508212393 Zagreb HTV Television in Serbo-Croatian 2040 GMT 15 Aug 93

[Excerpt] Fierce fighting between the HVO [Croatian Defense Council] and Muslim forces was taking place throughout the day on the Mostar battlefield. The heaviest fighting was registered in the southern parts of the Mostar municipality where Muslim forces were trying to regain the positions lost yesterday. Fighting is in progress around the town of Blagaj, and according to the HVO's main headquarters, HVO units succeeded in capturing several Muslim strongholds—Hadzizaljica Kicin, very important Elevation 119, and the village of Brijek near Blagaj.

Fighting was also taking place in the city of Mostar itself where HVO forces liberated yet another part of the city, the well-known Gamma and Delta buildings. [passage omitted]

Croatian Plane Reportedly Bombs Mostar

LD1508182693 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1700 GMT 15 Aug 93

[Reporter's dispatch from Mostar press center]

[Excerpt] Early this morning a heavy artillery attack by the Croatian Defense Council and the Croatian Army was launched in the southern sector, where the fighters of the 42nd and 48th mountain brigades, in a fierce attack yesterday, managed to seize dominant positions in the wider area of Blagaj and Malo Polje. In retaliation the Croatian Defense Council, with generous help from the Croatian Army, opened fire on the positions of the Army of Bosnia-Herzegovina, and also civilian targets in Blagaj in which there are 20,000 people, including 15,000 Muslims evicted from the Mostar, Stolac and Capljina municipalities. In all the attacks the Croatian Army used one aircraft which dropped a number of bombs on Blagaj and the center of Mostar. [passage omitted]

Sixty Muslims Killed in Bihac in Muslim, HVO Fighting

LD1308205193 Belgrade TANJUG Domestic Service in Serbo-Croatian 1813 GMT 13 Aug 93

[Text] Belgrade, 13 Aug (TANJUG)—Heavy fighting between HVO [Croatian Defense Council] forces and Muslim armed formations took place in the Croat-held village of Kralje, Bihac municipality, last night, SRNA reports.

According to the Serb military source from the Serb-held part of Bihac, Muslim forces suffered considerable losses in these clashes, Muslim-controlled radio Bihac also confirmed.

A large number of armed clashes between supporters and opponents of Fikret Abdic, member of the illegitimate Presidency of former Bosnia-Herzegovina, has been registered so far in the Bihac region.

It is estimated that over 60 Muslims were killed in these clashes.

Croats Holding '22,000 Muslim Prisoners' in Mostar

AU1308134393 Paris AFP in English 1330 GMT 13 Aug 93

[Text] Sarajevo, Aug 13 (AFP)—Bosnian Croat forces are holding about 22,000 Moslems prisoners in an old helicopter aerodrome in Mostar, in the south of Bosnia-Herzegovina, the International Red Cross said Friday [13 August].

UN Protection Force (UNPROFOR) spokesman Barry Frewer said that, according to the Red Cross, the prisoners were "all badly in need" of humanitarian supplies.

However, a convoy with 125 tonnes transported by the Caritas relief agency failed to get in as planned on Thursday, Frewer said. That was because the mainly Moslem Bosnian Army refused to let the convoy pass as part of a deal in which the Croats would have evacuated some of their seriously wounded from the town.

The Moslems and Croats, allies in other parts of Bosnia against Serb forces, have been battling each other for Mostar since May, while Serbian forces holding the surrounding hills keep watch.

Refugees report that the town is split ethnically between Moslems and Croats along the [Neretva] river running through Mostar. In Croat-held areas, all Moslem males aged more than 14 have been interned at the heliport, while the women have been expelled to the other bank.

UNPROFOR, the Red Cross, the UN High Commissioner for Refugees and the press corps have all been barred from Mostar for some weeks by one or other of the belligerents.

Spanish troops manning the sector for UNPROFOR try vainly every day to negotiate access.

ICRC Reports Croats Force Muslims To Work on Front Lines*AU1608094993 Paris AFP in English 0924 GMT
16 Aug 93*

[Text] Zagreb, Aug 16 (AFP)—Some 2,000 Moslems being held by Bosnian Croat forces are being forced to work on the front line in direct violation of international war conventions, an International Committee of the Red Cross (ICRC) spokeswoman said here Monday [16 August].

Jette Sorensen said: "This is a clear violation of all international conventions on the treatment of prisoners of war."

But she said all three parties in the conflict raging in Bosnia-Herzegovina were equally guilty of breaking the code of conduct.

The 2,000 Moslems are being held in a heliport in Rodoc, near Mostar in the south of Bosnia and most of them are originally from Mostar.

Sorensen said that the ICRC had been visiting the prisoners and until now had had regular and free access to them, although continued fighting between Bosnian Croats and Moslems was making it increasingly difficult.

"We are trying to get them detention cards, to get them permission to be able write to their families and to provide their basic needs," she said.

In Geneva ICRC spokesman Pierre Gauthier also underlined that it was not just the Bosnian Croats who were breaking the international conventions.

"All three warring parties are guilty of this kind of violations," he said, adding that it was happening regularly.

"Our main problem is that we are cannot stop these practices. We intervene regularly on an official level. We remind people of the rules for treating prisoners of war, but unfortunately it has little effect," he added.

He said the evidence pointed to the existence of other such camps to which the ICRC had not been able to gain access.

Croatian Authorities Permit Serbs To Leave Mostar*LD1408194393 Belgrade TANJUG Domestic Service in
Serbo-Croatian 1740 GMT 14 Aug 93*

[Text] Belgrade, 14 Aug—(TANJUG)—Yesterday, 22 civilians from Mostar arrived on Serb territory in Dol [demarcation point between Croatian Defense Force and Bosnian Serb troops] near Stolac—SRNA has learnt in the regional Red Cross [center] in Trebinje.

The refugees, some of them ethnically-mixed families, said that the attitude toward the Serbs in Mostar is

bearable, but that everybody is threatened by constant clashes between Croats and Muslims.

According to the refugees, the remaining Mostar Serbs also asked the Croat authorities for permits to leave, but it is still uncertain when they will be enabled to go.

This is the fourth war for Vojin Ivkovic, born in 1900, and the oldest one among the refugees, who says that the Croats have the upper hand in the Muslim-Croat war because of their superiority in heavy weapons.

There has been no electricity and water for a long time now and in Muslim-held parts of Mostar there is no food for about 50,000 people living there.

HVO Suspends All Cooperation With UNPROFOR*LD1508162593 Zagreb Radio Croatia Network in
Serbo-Croatian 1500 GMT 15 Aug 93*

[Report by Zdenko Vranjes]

[Excerpt] [Passage omitted] Since this morning Muslim forces have tried to break through the Blagaj-Buna defense line on three occasions. They have not succeed but they are regrouping their forces in the Blagaj area despite heavy losses. Last night and this morning Muslims were trying to regain an area in the Santic street [Mostar city center] captured by Croatian Defense Council [HVO] units in constant street clashes last week. According to the HVO's main headquarters, the Muslim army has been executing its prisoners of war following constant defeats on the battlefield.

The HVO's command for the central Bosnia operational zone stated that they are suspending any further cooperation with UN Protection Forces [UNPROFOR] because the agreement on demilitarization of Nova Bila [the only Croat war hospital in central Bosnia is situated in this village near Vitez] has not been respected. Muslim snipers killed eight and wounded 14 civilians in Nova Bila from the day the demilitarization was agreed upon up to now. This is only one sufficient reason to understand the bitterness of Croats in central Bosnia irritated by UNPROFOR's inefficiency.

We have received a report, also from central Bosnia, that 423 Croat families from Zenica [Muslim-held city in central Bosnia] have sent a demand to international organizations to enable them to leave Zenica so that they could join members of their families in central Bosnian Croat enclaves of Busovaca, Vitez, and Novi Travnik. [passage omitted]

Army Discusses Geneva Negotiations

LD1508210993 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 2000 GMT 15 Aug 93

[Excerpts] The Bosnia-Herzegovina Army in the light of the Geneva negotiations—this was the topic of a meeting attended by Presidency member Ejup Ganic, commander of the Army's main headquarters Rasim Delic, his deputies Jovan Divjak and Stjepan Siber, and Chief of Staff Sefer Halilovic.

According to Ejup Ganic, the indications of a denouement in the negotiations and certain irresponsible statements are creating confusion in the Army and among the citizens. That is why, regardless of the outcome of the situation in Geneva, we have to emphasize the goals of our struggle and define firm standpoints on this matter. In Geneva, it is demanded that we achieve peace through negotiations. However, these negotiations must provide the same territory for all despite the fact that the so-called mediators are stressing ethnic partition and the fact that we are being forced to accept it at the talks.

All this should not make us abandon or change the initial goals of our struggle. The soldiers of the Bosnia-Herzegovina Army must remain devoted to the goals to which they swore a solemn oath. Our goal must be the Republic of Bosnia-Herzegovina within its present borders. [passage omitted]

It was concluded at the end of the meeting that the Army has its guidelines—the platform of the Bosnia-Herzegovina Presidency and what is decided by the people and the parliament of our republic.

Health Minister Criticizes UN Organizations

AU1308204393 Sarajevo Radio Bosnia-Herzegovina
Network in Serbo-Croatian 1700 GMT 13 Aug 93

[Unidentified correspondent report on news conference by Bosnia-Herzegovina Health Minister Mustafa Beganovic in Sarajevo on 13 August—recorded]

[Text] [Correspondent] At the beginning of the news conference [word indistinct] the information about Sarajevo's energy supplies, it was said that the aggressor's forces were still preventing them from reaching Sarajevo, while the occupied parts of the city had regular supplies of electricity [word indistinct] from the Kakanj thermal electric station. This was arranged by the agreement between Izetbegovic and [former French Minister] Kouchner on 12 July this year. However, the obligations that the aggressor's side took upon itself in the agreement with Kouchner have not been observed.

As you have heard in the announcement, Bosnia-Herzegovina Health Minister Dr. Mustafa Beganovic was the guest at today's conference. At the beginning of the conference, the minister said this about the health situation in our country:

[Beganovic] I am supposed to talk here today about the health situation in Bosnia-Herzegovina. I can tell you immediately that there is no health in Bosnia-Herzegovina. One can only talk about illness, death, and injuries in Bosnia-Herzegovina, and if anyone thinks he is healthy, this is most likely just an emotional assumption. All this is probably the case of a deliberate collective euthanasia, signed by the [word indistinct] Dr. Owen. I am deliberately referring to him as a doctor since he actually is one.

[Correspondent] As one of the reasons for the tragic situation in our country, Dr. Beganovic named the following:

[Beganovic] No pressure is being exerted on the aggressor's side to allow water in, to turn electricity on, to let us have food and medicine. None of this is happening and yet they still want us to negotiate.

[Correspondent] Some data was revealed, data that throws light on the tragedy of the war in Bosnia-Herzegovina.

[Beganovic] Many have starved to death. Many died of the cold last winter. According to our research, 66 percent of the younger population is malnourished. The older population, over 60 years of age, is also a high risk group, but it does not show such drastic signs of malnourishment, but that is because of the dynamics of life, and because that category of population is [word indistinct]. The death rate in Bosnia-Herzegovina has risen by 500 percent. Eighty percent of the cases are due to unnatural death. The birth rate has dropped below 50 percent. Is this not obvious evidence of a gradual but certain dying of a nation? We are rightly wondering if some other aims are behind this apart from those of the aggressor.

[Correspondent] 10 months ago (?Medavec) was formed as a medical and evacuation commission, consisting of four doctors, one each from the UNHCR, UNPROFOR, the WHO, and UNICEF.

[Beganovic] That commission is supposed to examine every patient that we put forward for evacuation, and then give approval for his evacuation. This commission has been operating [word indistinct] some 10 months, and has managed to have a look at 312 patients so far. The 435 patients that we have put forward have still not been examined. So you can see how effective this commission is.

[Correspondent] Minister Beganovic stressed the good cooperation with the WHO and UNICEF, but the cooperation with UNICEF has worsened ever since that organization started using the (?Medavec) commission's reports as the criteria for its work. The minister had nothing nice to say about the UNHCR and UNPROFOR. He believes that there is no impartiality in their activities, no justice, nor sympathy for the victim, so their modus operandi is an ideal background for the slow dying of Sarajevo.

Government Declares Maslenica Agreement Void*LD1308143793 Zagreb Radio Croatia Network in
Serbo-Croatian 1300 GMT 13 Aug 93*

[Text] Croatian Foreign Affairs Minister Mate Granic has sent a letter to UN Secretary General Butrus Butrus-Ghali in which, on behalf of the Croatian Government, he expresses the standpoint of the Republic of Croatia regarding the undisturbed construction of the Maslenica bridge and the unimpaired flow of traffic across it; in accordance with the (Erdut) Agreement of 15 and 16 July, which envisages the withdrawal of Croatian armed formations from the areas of Maslenica, Zemunik, and Peruca as soon as the United Nations Protection Forces assume effective supervision of these areas. The letter then says:

The signature of the Croatian Government was the result of the standpoints according to which, among other things, local Serbs are taking part in the negotiations on a comprehensive solution to all the disputes within a political framework, as set out in Security Council resolutions 802, 815, and 847. The Croatian delegation understood that in keeping with the agreement of 15 and 16 July an additional agreement would be signed on an all-encompassing cease-fire in all conflict zones. However, at the crucial moment the delegation of local Serbs from Knin decided not to sign the text, on which, prior to this, an agreement had been reached, until the Croatian side implements the agreement. This pressure by the local Serbs from Knin was not acceptable to our delegation, which insisted that the signing of the cease-fire agreement, as envisaged in the agreement of 15 and 16 July, is a precondition for any kind of one-sided or temporary withdrawal of Croatian armed formations from any part of the Republic of Croatia.

After the attack by Serb rebels on Maslenica bridge, the destruction of a section of the bridge and the resumption of shelling, which is preventing repair work on this exclusively civilian facility, my government, Granic writes, is forced to consider the agreement of 15 and 16 agreement null and void and demand that measures, proposed in the reports and their addenda sent to the Secretary-General and in the provisions of Security Council resolutions 724 of 1991, 740, 752, 762 and 769 of 1992 and 802, 815 and 847 of 1993, be applied immediately.

The measures envisaged in the above-mentioned reports and resolutions include not only the undertaking of supervision of heavy weaponry but also the disbanding and the demobilization of all paramilitary, irregular, and volunteer formations in the area of the UN Protection Areas [UNPA], and a ban on the wearing of uniforms or the bearing of arms by members of these formations.

Unfortunately, the current situation is out of sync with these provisions in a worrying way, while attacks by local Serbs on Croatian civilian targets are continuing.

The government of the Republic of Croatia wants to continue the dialogue and stimulate the building of trust in order, in this way, to demonstrate its desire for the reintegration of the UNPAs by peaceful means. However, it is difficult to act in this way as long as Serb paramilitary forces continue to endanger the sovereignty and territorial integrity of the Republic of Croatia. In this context I must stress that the decision of the so-called government of the republic of Serb Krajina, communicated to diplomatic and consular missions in Belgrade, that—and I quote—it will engage in negotiations with the Republic of Croatia on an equal, state basis—end quote—is insulting and completely unacceptable for Croatia.

The UNPA areas are a constituent part of the territory of the Republic of Croatia, and this is stressed in the Security Council resolutions 815 and 847 of 1993, and we consider that these negotiations must in their entirety be the internal affair of the Republic of Croatia, in which Unprofor and officials of the international conference on the former Yugoslavia are only impartial mediators.

In our view, the Croatian minister of foreign affairs continues in his letter to Butrus Ghali, the Unprofor reports over the past few months on the situation in Croatia are increasingly biased and frequently ignore information about enemy actions carried out by Serb paramilitary formations. We support the activities of the peacekeeping forces in our territory, pending the expiry of their current mandate but we are firmly of the view that members of the Security Council and the international community as a whole have the right to objective and impartial information about the situation on the ground. We would like Unprofor to finally act in keeping with the relevant resolutions of the Security Council—in particular with those which stress the sovereignty of the Republic of Croatia throughout its internationally recognized territory.

Once again we call on the international community to exert pressure on the Serb rebels in the Republic of Croatia to adhere to the decisions listed in the numerous resolutions or face the inevitable consequences.

My government is firmly convinced that the relevant decisions of the Security Council contain all the provisions for the establishment of a just peace in my country. My government (?will) resolutely fulfill all its obligations but we cannot concur with anything which would be below the level of all the relevant resolutions of the Security Council. We kindly ask you to send this letter as a document to the Security Council.

That was the full text of the letter in which the minister of foreign affairs of the Republic of Croatia, Mate Granic, set out for UN Secretary General Butrus-Ghali the standpoints of the Republic of Croatia in connection with construction of Maslenica bridge and the unimpaired flow of traffic across it.

Tudjman Prepared To Give Muslims Free Zone in Ploce

LD1508213193 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 15 Aug 93

[Report by Tihomir Cvitanovic from Ploce]

[Excerpt] You, citizens of Ploce, were the first in Croatia to found a branch of the Croatian Democratic Union, you were among the first to begin seizing arms from the aggressor and arming the defenseless Croatian people, and you can be proud of the fact that it was here that the defense of the Neretva River valley and southern Croatia was initiated.

This, among other things, was said by Dr. Franjo Tudjman, the president of the Republic of Croatia, who spoke this afternoon at the opening of the post office in Ploce, where he was enthusiastically greeted by several thousand citizens of Ploce, the Neretva River valley, and the Makarska littoral, and welcomed by the prefect of the Dubrovnik-Neretva county, Dr. Jure Buric, and the Mayor of Ploce Josko Damic.

Speaking to the citizens of Ploce about the future of their town and the status of the port of Ploce, the Croatian president declared:

For the sake of cooperation and economic development, we are ready to give the Muslims a free zone in Ploce, modelled on other world ports, but not Ploce itself, because Ploce was, is, and will remain a Croatian town. In return we shall ask for the linking up of Ploce and northern Croatia by rail. This would be to the benefit, not the detriment, of Ploce and Croatia. [passage omitted]

Tudjman Pledges Support for 'Liberation' of Croats

LD1408190393 Zagreb HTV Television in Serbo-Croatian 1730 GMT 14 Aug 93

[Excerpts] The Croatian head of state and his associates were cordially welcomed and greeted in Tisno by numerous representatives of the civilian, military, and religious authorities, including the municipal head of Tisno Krste Baric and under-prefect of Sibenik Josip Odak. [passage omitted].

Addressing the citizens of Tisno, Tudjman said the following about the current political situation in Croatia:

[Begin Tudjman recording] We are going to complete that war by the liberation of every inch of the Croatian land, and likewise we shall help the Croatian people in Bosnia-Herzegovina to secure its future and thus secure the southern Croatia. Because, without the Croatian people's survival in Herzeg-Bosnia it would be difficult to preserve southern Croatia between Split and Dubrovnik. We are going to complete that historical task, we are going to complete our miracle of the establishment of the independent state of Croatia and then we shall be able to devote our time [applause] completely to those tasks as is today's one,

the opening of the water-supply system, the roads, schools and everything that ordinary people need, that every Croatian town, county and the whole of Croatia needs. [passage omitted] [end recording]

Krajina Party Demands Replacement of RSK President

LD1308170693 Belgrade TANJUG Domestic Service in Serbo-Croatian 1631 GMT 13 Aug 93

[Text] Knin, 13 Aug (TANJUG)—The main committee of the Serbian Radical Party [SRS] in the republic of Serb Krajina has requested of the Krajina government that "it urgently halt criminality, profiteering, and corruption and replace local powerbrokers," party chairman Rade Leskovac told journalists today.

Leskovac repeated the accusations against RSK president Goran Hadzic.

"If the republic's public prosecutor fails to find a method of replacing the president of the republic, we will request this at a session of the assembly," the chairman of the Serbian Radicals said.

Asked how he interprets president Hadzic's initiative to form assembly commissions to examine the accusations against him, Leskovac replied that this is a further deception and that it is not a matter of a parliamentary commission but only of a state commission made up of members of the government.

Leskovac also criticized president Hadzic for "the glorification of the significance of eastern Slavonia, Baranja, and western Srem and for undervaluing the other regions of the RSK," adding that it appears to the SRS "that Hadzic and his colleagues are preparing for the secession of this part." He denied that there is a party conflict between the SRS and the Serbian Democratic Party.

Krajina Interior Minister Preparing To Arrest 'Putschists'

LD1508162993 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 15 Aug 93

[Report by Bozidar Klaric from Zadar]

[Excerpts] It was mostly calm on the Zadar-Biograd front today. [passage omitted]

An increasing number of reports are coming in from the occupied regions of Croatia on very frequent conflicts between groups belonging to the rebel authorities in Knin. We have learned that [Krajina Interior Minister] Mile Martic, currently on a visit to Belgrade, is preparing to arrest a group of putschists in the so-called Krajina militia, which includes Momo Cosic, Nikola Knezevic, and a certain Pavic, and Rados.

We have also learned from well-informed sources that a group of rebel members of the Serbian paramilitary army, disenchanted over their wages ranging from five to 10 German marks per month, deserted from the Drnis front on 11 August, smashed up four restaurants, and destroyed a number of cars in Knin. In this way, the rebels expressed their disappointment with the talks they held before that with Mile Martić.

Serbian Troops Reportedly Riot Over Salary Rates

LD1408130393 Zagreb Radio Croatia Network in English 1205 GMT 14 Aug 93

[Text] The news of a four-hour riot of the Serb paramilitaries in Knin is coming to us via Croatian Army's information center in Zadar. The information on the riot was supplied by a group of Serb paramilitaries who have fled to the Croatian side. They revealed that on the 11th of this month a group of Serb irregulars left their positions along the Drins front lines and drove five tanks and three armored vehicles to the building of the self-proclaimed local authorities in Knin. It is believed that the reason for this is the fact that the Serb paramilitaries receive a monthly salary of some 5-10 German marks. The representative of the local Serb authorities, Milan Martić, spoke to the group and promised a higher wage.

The latest incidents are causing rifts among the members of the local Serb authorities.

Serb Krajina Tightens Border Controls

LD1508201793 Belgrade TANJUG Domestic Service in Serbo-Croatian 1248 GMT 15 Aug 93

[Excerpt] Belgrade, 15 Aug (TANJUG)—Slobodan Jarević, minister of foreign affairs of the republic of Serb Krajina, today informed general Jean Cot, UN Protection Forces [UNPROFOR] commander for former Yugoslavia, foreign diplomats, statesmen, and businessmen who are not affiliated with UNPROFOR cannot cross the border and move on the territory of the republic of Serb Krajina without permission from the Krajina government.

Explaining that the Krajina government has adopted a decision on the "strict control and detailed regulation" of the border crossing system and the movement of foreigners on the territory of the republic of Serb Krajina, Jarević asked Cot to use his authority in influencing all UNPROFOR members to "closely cooperate" with the authorities of the republic of Serb Krajina.

"Many countries use UNPROFOR, which is highly thought of in the republic of Serb Krajina, to realize their interests in our country or to help the interests of the Republic of Croatia which is at war with our country," Jarević says in a letter to Cot. [passage omitted]

Experts Remove Explosive, Toxic Weapons From Sunken F-16

LD1508220793 Zagreb Radio Croatia Network in Serbo-Croatian 2000 GMT 15 Aug 93

[Text] A U.S. military and a Croatian state delegation are investigating the circumstances of the crash of the F-16 fighter-bomber, which plunged into the sea off the Islet of Maun, near Pag on 11 August.

Experts have neutralized explosive and toxic weapons in the sunken aircraft over the past couple of days. After pinpointing the exact locations of the plane's debris, the experts will continue their work in order to present a detailed report on the reasons for the crash. Members of the Croatian state delegation are also taking part in the preparation of the report.

RSK Surprised at Polish Prime Minister's Visit

LD1408171493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1552 GMT 14 Aug 93

[Text] Belgrade, 14 Aug (TANJUG)—Polish Prime Minister Jan Suchocka is to visit the Polish UNPROFOR [United Nations Protection Forces] battalion in Slunj (south of Karlovac in the Serb-held Krajina region of central Croatia) on Monday (16 August), the ministry of foreign affairs of the republic of Serb Krajina (RSK) announced today, quoting information from the Yugoslav embassy in Warsaw.

In this connection, the ministry's statement—which was sent to TANJUG—expresses "surprise at the fact that the RSK government was not consulted about the arrival of the prime minister of another state on its state territory."

The ministry points out that Kordun (in RSK) is increasingly frequently the target of terrorist actions by the Croatian army and hence it (the ministry) will try—by contacting the Polish embassy in Belgrade—to organize the protocol and security aspects of the arrival of Prime Minister Suchocka in Krajina.

Mesić Appeals to Serbs To Recognize Croatian Rule

93BA1330B Zagreb VJESNIK in Serbo-Croatian 23 Jul 93 p 2

[Article by J.V.: "We Do Not Want a Division Like Cyprus"]

[Text] Sibenik—Laws are being prepared which will regulate the powers of općinas, cities, and županijas as well as the way in which they are financed, which will afford far more effective work of local self-government and administration. This is what Stipe Mesić, president of the Assembly of the Republic of Croatia, emphasized in a conversation with representatives of the Sibenik Županija when he visited the city under Subicevac on

Thursday, when he was joined by Tomislav Mlinaric, president of the Croatian Club in Sydney.

During the conversation with the important guest in the Kresimir Center, Pasko Bubalo, zupan of Sibenik, said that now, when legislation still has not been enacted, life must not come to a stop, it must continue in accordance with the old legislation until new legislation is adopted. Semira Skugor, secretary of the zupanija assembly, informed the president of the Assembly very exhaustively about the problems she is encountering at the moment in her work.

Josip Hodak, deputy zupan of Sibenik, and Ante Matic, mayor of Drnis, expounded on the difficult living conditions of the population in the region of Drnis District. In order to get as close as possible to its own town and to serve the population displaced from their homes, the local government is operating in Unesic. The arrival of the displaced persons to that center, however, is greatly disrupted because of bad transportation connections, because when they go by train, it takes them five to six hours, which does not do credit to the railroads. And people, it was emphasized, are having a hard time, they do not have the money for the train, and their status ought to be settled in a specific piece of legislation.

In response to a question of Petar Dundjer, top official in Skradin, concerning the situation after the opening of the Maslenica bridge and the Zemunik Airport, the president of the Assembly said that Croatia still favors peaceful resolution of all disputes. The world has been informed about the most recent move of the Croatian Government and has approved it. We will continue in the same style, we will persuade the world that we want to liberate the long-distance power transmission lines, the highways, the oil pipeline...by peaceful means.

In our case, President Mesic said, the aggressor wants to repeat the situation here that you have on Cyprus, and that is why he is undertaking ethnic cleansing so as then to draw the line of demarcation. This is the trick which Serbia has been planning, but which we were not taken in by. I told Milosevic and Bora Jovic long ago that the 12 percent of Serbs in Croatia, where they are equal, cannot establish their own government and that this is suicide. Milosevic was clear at that time, and he said:

"We are not interested in the Serbs in Croatia. Do with them what you like. We are interested in Bosnia and Herzegovina, where 77 percent of the territory is ours."

So now the Serbs control 70 percent of the territory, and the conflict between the Croats and Muslims is in their favor; that is profit for them. The Serbs are cramming the Croats and Muslims onto 30 percent of the territory of our neighboring state, and they are not concerning themselves with the Serbs in Croatia. For all those reasons, I call upon the Serbs in our republic to recognize Croatian authority, because Milosevic is not taking them into account at all, President Mesic said.

Offer To Buy Wheat From Serbian Krajina

93BA1330E Zagreb VJESNIK in Serbo-Croatian
25 Jul 93 p 14

[Unattributed article: "Glavas Offered To Buy Grain From Farmers in Krajina!"]

[Text] Branimir Glavas, zupan of Osijek-Baranja Zupanija, addressed the public on the occupied part of Osijek Opcina and wheat producers in Baranja with an offer that will certainly evoke various comments, but will at the same time confirm Croatia's readiness to reestablish cooperation with inhabitants on the temporarily occupied areas of Croatia. The letter states:

"The milling industry on the territory of the Osijek-Baranja Zupanija, aware of the difficulties which you, citizens of the Republic of Croatia on the occupied area of Croatia, are encountering, is ready to purchase all market surplus of bread grain. That is why we are appealing in this way to the citizens of the Republic of Croatia in our zupanija who are on the temporarily occupied territory of Croatia, to deliver their surpluses of grain.

"The price per kilogram of the grain delivered is 27 pfennigs, covered by a foreign exchange clause, to be paid in the equivalent value of Croatian dinars, but with the money obtained it is possible on the territory of our zupanija to buy all necessary goods, from petroleum products in unlimited quantities, including spare parts for machines, chemical fertilizer, chemicals for plants, pests, and disease control, and drugs, all the way to consumer goods.

"The Croatian authorities in Osijek-Baranja Zupanija are aware of the possible distrust which this initiative may encounter in our citizens on the temporarily occupied territory of Croatia. However, for that reason we appeal at the same time to the UNPROFOR [UN Protection Force] to provide their participation as an additional guarantee in making it possible to realize our sincere intention to open up the market and communications throughout the entire territory of Croatia.

"In the aim of all Croatian citizens having equal rights and conditions for free civil and entrepreneurial life, I call upon you to accept our initiative," states the offer of Branimir Glavas to the inhabitants of the occupied portion of eastern Slavonia and Baranja.

Issue of Sanctions Against Croatia

93BA1336C Belgrade VREME in Serbo-Croatian
26 Jul 93 p 13

[Unattributed article: "Sanctions Against Croatia"]

[Text] Some countries, Great Britain, for example, are openly accusing the Croatian authorities of organizing, together with the HVO [Croatian Defense Council], ethnic cleansing of Muslims in central Bosnia and western Herzegovina. THE GUARDIAN says that,

according to figures of the UN high commissioner for refugees, 50,000 Muslims are squeezed in Mostar on the east bank of the Neretva on conditions similar to a ghetto, without food, electricity, or water, and that about 10,000 males of that nationality have been imprisoned at the heliport there. The involvement of the Republic of Croatia with ethnic cleansing is also indicated by the datum that 10,000 transit visas were offered for Muslims whom the HVO has in holding camps. However, in the opinion of those familiar with the situation, the chance of Croatia experiencing the fate of the FRY [Federal Republic of Yugoslavia] would not be on humanitarian grounds, but because of open collaboration with Serbia. That is, after Croatian-Muslim hostilities broke out, it became clear that Zagreb's policy, as far as Bosnia and Herzegovina is concerned, does not differ from that of Belgrade in the least.

Nevertheless, Croatia has not managed to avoid a certain form of economic pressure. Reconstruction loans from the World Bank already contracted for have been held up (\$143 million in all), its entry into economic programs of the EC has been prevented, and it has been prohibited from exporting livestock to Western markets, allegedly because of infection.

All of this is exciting a segment of the public here—so now it has finally been shown that Serbia is not solely to blame for everything. Although the possibility of Croatia coming under economic sanctions does not affect in the least the grounds on which they were instituted against the FRY, there is a substantial dose of malice. On the principle: "Let the neighbor's cow die too...."

Government Approves Minimum Wage

93BA1346A Zagreb VJESNIK in Serbo-Croatian
30 Jul 93 p 2

[Article by Drazen Jambrovic: "Wages Without 'Freeze'"]

[Text] *The lowest basic wage in July, according to the government's regulation, will be calculated by increasing the lowest June wage the rise in retail prices in July. A rise in the RTV [Radio and Television] subscription rate from 8,500 to 15,000 Croatian dinars has been approved.*

Zagreb—The lowest basic wage in July will be calculated by increasing the lowest June wage by the rise in retail prices in July, while the minimum wage will amount to 70 percent of the lowest basic wage. This is based on the Regulation on the Lowest Basic and Minimum Wage, which was presented by the government for the period from June to September at the session Thursday [29 July] afternoon presided over by Nikica Valentec.

Vice Prime Minister Borislav Skegro explained that in practice the new Regulation is a continuation of the agreement that was in effect from February to June and that was signed by the government, the trade unions, and the Croatian Economic Chamber [HGK]. Although negotiations with the trade unions began back on 6 June,

the agreement was not extended; instead, two trade union head offices and the HGK agreed to the lowest basic wage and minimum wage (one trade union head office did not continue with the negotiations), while the government accepted the basic principle from the agreement between the trade unions and the Chamber in its Regulation, under which the entire economy and all beneficiaries of the budget, together with public companies, will conform to one standard. The government feels that the entire wage policy should be effected through the management boards in public companies.

"We have not frozen wages, nor have we limited them," Vice Prime Minister Skegro said. "The Regulation protects the workers' standard of living, because it does not permit a real drop in wages, but there is not a real rise in wages either, because the current economic activity does not permit that."

According to the Regulation, figures on the amount of the lowest basic and minimum wage will be made public by the government, so that it is expected that this announcement will be made for July within a few days. In June the lowest basic wage was 141,138 Croatian dinars, while the minimum was 98,832 Croatian dinars, and this will be the starting point for determining the lowest basic and minimum wage for July.

The government gave its approval to the decision by the management board of Croatian Radio and Television [HRTV] to raise the subscription cost of radio and television from 8,500 to 15,000 Croatian dinars, an increase of 76.5 percent. It is true that the recommendation of the coordinating committee for economic activity was that the subscription cost be increased to 12,000 Croatian dinars, but the decision by the HRTV management board was nevertheless accepted in its entirety. In so doing, the government was bearing in mind that changes in the ordinances governing price controls had already been proposed and that these changes related to the free formation of prices that were previously subject to agreement.

The government also presented a regulation changing specific provisions in the Law on the Excise Tax on Products and Services. This change abolishes the excise tax on raw materials used to produce livestock feed and products for feeding poultry, rabbits, and fish, while the excise tax on services will not be paid on loans issued to areas affected by war and on services performed in foreign diplomatic and consular representations. Also significant is the fact that the interest rate is taken as the base for determining the tax that banks collect from holders of loans. The Regulation also changes the law on membership dues in tourist communities. The amount of the dues that belongs to the local tourist community is reduced from 65 to 60 percent, the share going to the opstina tourist community is lowered from 20 to 15 percent, while the portion of the total fee going to the Croatian Tourist Community is increased from 15 to 25 percent.

Given the dramatic situation in Bosnia-Herzegovina and the tragedies being endured by the Croat civilian population, especially in central Bosnia, the government also accepted a special statement demanding a special session of the UN Security Council.

IDS for Local, Regional Autonomy

93BA1330C Zagreb VJESNIK in Serbo-Croatian
26 Jul 93 p 4

[Article by Mirko Urosevic: "A Special Autonomous Status for Istria"]

[Text] Pula—"The regional development favored by the Istrian Democratic Conference [IDS] should grow into a kind of competition with Croatia with the objective of creating functional regions. In that context, the transregion of the Istrian ethnos will soon become reality and will guarantee autonomy in its operation that suits the inhabitants of Istria and the islands. On 1 August, the IDS Assembly will meet in lobbying for the fifth time concerning these principles, after first clearing up doubts within the party in the meantime. A demand will be addressed to the Croatian Assembly and Supreme Command to respect the peculiarities of Istria and its horizons for development, and in the next session of the Croatian Assembly the Istrian representatives will present a counterproposal to the legislation on local and regional self-government. We will act with the strength of intelligence rather than repression, making our response to the totalitarianism that prevails," said the leaders of the IDS: Elio Martincic, party deputy, and Ivan Jakovcic, the party's president, in the founding meeting of the Assembly of Communities of Chapters of the Former Pula Općina, last Saturday in Pula. The nomination of Ivan Jakovcic to continue his term at the head of the party was supported in the meeting by acclamation, and Denis Jelenkovic was nominated vice president from the Pula District and Marino Brecevic was elected president of the Assembly of the Community of Chapters.

Dr. Darko Martincic spoke about the activity and tasks of the IDS up to this point in the Pula District. He said that the "new and modern policy of the IDS is spiced with a European spirit, devoid of narrow localism." In that context, the IDS has been significantly present on the international scene, having obtained support from the EC and the Council of Europe for its conception of regional development and self-government.

Elio Martincic, deputy in the Croatian Assembly, emphasized that Istria and the IDS favor affirmation of regional development within Croatia, "and when this is achieved, the time will come for transregions and linkage with Europe." "For that matter, we have always been the advance wall of that Europe in Croatia, and that is why our goats are turned west, not east," Martincic said. He added that the IDS "has successfully worked out all the objectives that have been set in the interest of Istria and democratic Croatia." From what he said, "in the next

session of the Croatian Assembly, the demands will be made to define the rights of bilingualism, which recently got people excited. With respect to the Constitution, bilingualism was on our part a legal, but not a political, gaffe, and now we want to clear that up once and for all."

Martincic addressed fierce criticism to the "policy of ethnic parties, in particular the HDZ [Croatian Democratic Union] and the president of the republic" because of Maslenica.

"We are gaining strong allies in our demand for an autonomous position within Croatia, and after the conference in Labin we will set out to realize our ideas, and in so doing we expect understanding on the part of the democratic opposition," said Ivan Jakovcic, IDS president. "It is important, which confirms our affirmation on the domestic political scene, that we are expected to make a contribution to strengthening the cohesion of the opposition parties," the president of the IDS continued, saying that soon the party would present clear demands to the president of the republic. "Istria will define its own status as a *zupanija*, one that will guarantee disposition of property and resources. We will fight for our rights and ideas with the strength of reason, not repression," Jakovcic said. He also made reference to the upcoming anniversary of Istria's union with Croatia, stating that "Istria liberated itself from fascism, which was done jointly by the Italians and the Croats, and that antifascism is deeply rooted in Istrian reality and in the program of the IDS." "In 1943, the Istrian antifascists established the Istrian Conference and that is why the Assembly of the Istrian *Zupanija* is called the Istrian Conference. In meetings with many Istrian antifascists, we have been getting messages to the effect that Istria must once again free itself of those who want to rule it. In those and similar preoccupations, the IDS will nevertheless turn first to the future and to economic development," Jakovcic concluded.

Chamber of Commerce, Unions Reach Wage Agreement

93BA1330G Zagreb VJESNIK in Serbo-Croatian
28 Jul 93 p 12

[Article by Ljubinka Markovic: "Unchanged Wages and Salaries"]

[Text] Zagreb—The lowest and minimum payment for July, August, and September will increase at the level of the monthly rise of retail prices. An agreement to that effect was signed on Tuesday by representatives of the Croatian Chamber of Commerce and two central trade union offices—the SSH [Independent (Samostalni) Trade Unions of Croatia] Federation and the NSH [Independent (Nezavisni) Trade Unions of Croatia] Confederation. "We were willing to sign the agreement only when we obtained a written guarantee from the government that its provisions would be extended to all employees in Croatia," we learned from Vesna Ivkovic-Stipcevic, vice president of the SSH Federation. It is now

quite certain that the government will not resort to a decree on wages and salaries.

Because the Croatian Trade Union Association [HUS] is refusing to sign the agreement, a legal form was devised whereby the labor minister broadened application of the agreement to all employees both in the economy and in the public sector. Thus, after a month and a half of negotiations, first three-way with the government, and then one on one (the Chamber of Commerce and the trade unions), the rules of the game were finally established for the next three months.

The rules actually remain almost the same as in the "tripartite" agreement on wages and salaries that expired at the end of June. That is, the lowest and minimum wage are rising as much as inflation, which means that wages and salaries are not rising in real terms. The two main trade union offices first asked for an additional increase of 1 percent per month, while the HUS insisted that the lowest pay be 45 percent of the average, and that the lowest immediately have a bigger jump. When the main trade union offices went to war with one another, the chamber reduced the offer to the model of "wages and salaries just as much as inflation." The federation and confederation then consented to the lower offer, supposedly in order to anticipate the government decree on wages and salaries. The government, however, taking the last week as a respite for reflection, was less and less inclined to issuing a decree.

Because collective agreements are again "issued" as of 1 July, the lowest salaries determined "by agreement" would be binding on everyone. If inflation in July is 30 percent, the lowest pay would be about 184,000, while at inflation of 25 percent it would be about 176,000 Croatian dinars. The exact amount will be known at the end of July. Enterprises can, of course, increase the lowest salary independently, without restriction. The problems arise with insolvent firms, because under the recent government decree their salaries are no longer on the list of priorities. The wages and salaries of losing enterprises are also uncertain, because the rules contained in the old agreement are no longer in effect.

The signatures on the new agreement will at least spare us of going crazy with the negotiations for at least three months. The main trade union offices for the economy will continue negotiations with the chamber until autumn on changing certain provisions of the General Collective Agreement for the Entire Economy. It will certainly be interesting to see the reaction of the so-called "public" main trade union offices. If the lowest pay for them remains the same as for the economy, wages and salaries in the public sector could drop. It is possible that now the public trade unions will go after a change in the General Collective Agreement for Public Services and Enterprises and try to reach agreement with the government on a different minimum salary. At the same time, the debatable coefficients for the public sector should finally be crystallized and the doubts cleared up over collective agreements for the public sector. That is, the proposal of the Law on Wages and Salaries for beneficiaries from the budget is still being circulated.

Italy To Deploy 30,000 Troops Along Border

LD1508183493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1700 GMT 15 Aug 93

[Excerpt] Ljubljana, 15 Aug (TANJUG)—Italy will step up the control and supervision of its border with Slovenia tomorrow by deploying additional special military units. The formations already stationed along the 160-kilometer-long border will be joined by another 800 troops.

The Italian Defense Ministry plans to directly or indirectly engage over 30,000 troops in the protection of the areas along its border with Slovenia.

Stricter control of international border crossings between Italy and Slovenia can also be expected, it has been learned in Ljubljana. [passage omitted]

No Army Deployment Planned

AU1308210293 Ljubljana Radio Slovenia Network in Slovene 2000 GMT 13 Aug 93

[Text] At its afternoon extraordinary closed session the Slovene Government discussed the decision by the Italian Government to deploy soldiers on the border with our state. A news conference was held after the session, on which the conclusions were summarized by Lojze Peterle, foreign minister and deputy prime minister; Interior Minister Ivo Bizjak; Defense Minister Janez Jansa; and Ignac Golob, state secretary in the Foreign Ministry. Nadja Pengov was at the news conference:

[Begin recording] [Pengov] The Slovene Government considers that the security situation is the main motive for Italy introducing tighter measures on the Slovene-Italian border. The government also believes that some events could influence the security and political situation in our country. This refers to the possibility of the war spreading and of NATO intervening militarily in Bosnia. How will Slovenia protect its borders? Interior Minister Bizjak replied:

[Bizjak] I think that this is clear, but I would nevertheless like to emphasize that [words indistinct] several options and several levels of protection of the state borders, and that the activation of certain levels depends on the situation in our neighborhood. We have pointed out several times that our southern border particularly is our greatest concern, not so much because of the neighbor on this border but because it is a [word indistinct] to the Balkans, the first clearly drawn border toward the crisis areas in the Balkans. In the case of any escalation in these crisis zones—be it an international intervention or war spreading again—it is, of course, clear that we will have to increase the protection of this border. This protection will have to be implemented with a greater number of people, according to the plans that exist for such situations.

[Pengov] Does the Slovene Government hold any information on the possible bombing of Bosnia-Herzegovina? Defense Minister Jansa replied:

[Jansa] We hold information that there is the penultimate level of readiness at NATO bases in Italy. Regarding possible countermeasures by the Slovene Army, we must state that the Italian Army is on the border in a police role and not in a military one, at least judging by what the government has been told and what could be checked on the ground. Today, the government did not pass a decision for the Slovene Army to assume a police role on this border, because we considered that there was no need for it. The Interior Ministry forces have been performing their duties regularly. However, in the case of indications suggesting that this army could start preparing for military purposes, then we would naturally also take appropriate measures.

[Pengov] Interior Minister concurred and stressed that Slovenia must obtain an official explanation from Italy as to what measures Italy envisages and what is the role of the army.

Ignac Golob commented on the talks with the future Italian ambassador in Slovenia, which took place about noon and lasted for an hour and a half, within the framework of the statement given by the Foreign Ministry last night. Slovenia is surprised that Italy officially failed to inform it about the measures and demands an explanation. An important piece of information is that the Italian foreign minister is coming to Bled, Slovenia, on 26 August.

Can we interpret this move also as Italian pressure on Slovenia? Lojze Peterle replied:

[Peterle] For the time being we have no indications that this step by the Italian side could be perceived in light of your theory. We have been checking it rather thoroughly, as far as possible bearing in mind the given information, and I must say that we do not have any basis for such an interpretation.

[Pengov] Slovenia officially demanded an explanation as to whether a statement by a senior Italian Foreign Ministry official that the recognition of Slovenia had been a mistake was true.

Some other news from today's news conference: The Slovene Army has not been placed on a higher level of alert. The measures of readiness of the Italian Army can also be viewed within the context of the NATO pact, as Italy is a member with a great concentration of military forces. The defense minister believes that the possibility of military intervention in Bosnia-Herzegovina is approximately 50 percent. [end recording]

Slovenes Demand 'Thorough Explanation' of Border Situation

AU1308120193 Ljubljana Radio Slovenia Network in Slovene 1100 GMT 13 Aug 93

[Text] Regarding the incident between Slovenia and Italy, the Foreign Ministry stated that in light of the problems that have emerged intensive contacts are under way between the Slovene Foreign Ministry and the Italian Embassy in Ljubljana, as well as between the Italian Foreign Ministry and the Slovene Embassy in Rome.

Ignac Golob, state secretary in the Slovene Foreign Ministry, and future Italian Ambassador to Slovenia, Dr. Luigi Solari, were also supposed to have held talks in Ljubljana half an hour ago.

The Foreign Ministry also said that they have received a statement by the Italian Defense Ministry addressed to the press today, but for the time being they did not wish to disclose its content to the public.

Interior Minister Ivo Bizjak said regarding this that the ministry will first demand a thorough explanation from the Italians as to why they had decided to take the measures on the border. Slovenia will then take corresponding measures on our side.

Judging by the information from the Interior Ministry, it is not true that the number of illegal border crossings of the green belt [zeleni del] on the Slovene-Italian border has increased recently.

Commentator Views Foreign Relations

AU1308150793 Ljubljana Radio Slovenia Network in Slovene 1330 GMT 13 Aug 93

[Commentary by Nadja Pengov]

[Excerpt] Nothing especially earth-shattering. Every sovereign country has the right to protect its borders, if it finds it necessary, in a manner that it finds suitable.

Italy has supposedly done this out of fear of possible terrorist acts by the Bosnian Serbs and supposedly because the supervision of the Slovene-Italian state border is inefficient, at least as regards arms smuggling. At least, that is what they are saying in Rome.

The whole affair is, of course, far from being as simple as all that. Namely, Italy has decided to implement special supervisory measures on the border with former Yugoslavia, they have announced in Rome. Therefore, not on the border with Slovenia, a country that Italy has recognized and with whom it maintains standard diplomatic relations and that is, just like Italy, an equal member of the international organization.

The fact that such a formulation has been used in Rome in an informal manner during a journalistic chat with a correspondent of a news agency, simply because that is how the West calls us in the everyday jargon, could be an exonerating circumstance only for unregenerate optimists and simpletons. Italian as well as other diplomats are well aware of the importance that publicly-stated formulations carry in their profession. Especially if we view all this in the context of not so distant statements that Germany and its premature recognition of Slovenia and Croatia were responsible for the war in the Balkans, or the latest, even more typical statement by the press spokesman of the Italian Prime Minister Ciampi that the diplomatic recognition of Slovenia was a big mistake.

The fact remains that with last night's measure, Italy drew a line between Europe and the Balkans along our western border. All this only two days after the supposedly successful talks at Strmol castle where its intentions were carefully concealed. For the sake of what? Good neighborly relations that they supposedly wish to develop and promote until the very first corner, when they trip us over? [passage omitted]

Food Availability Declining for Bosnian Refugees

LD1308212093 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 2000 GMT 13 Aug 93

[Text] There is less and less food for the 70,000 Bosnia-Herzegovina refugees in Slovenia. The only regular humanitarian parcels are being sent by the UNHCR and their distribution, twice a month, is supervised by the Slovene Red Cross. Other donor countries, especially Italy, believe that Slovenia is no longer faced with a crisis, particularly since Slovenia's admission to the European Council, and that there is therefore no need for outside aid for the refugees.

According to the latest information provided by the Slovene refugees department, the number of collection centers has been reduced from 53 to 31. These centers are accommodating nearly 10,500 refugees. The remainder—up to 70,000—are staying with relatives or renting expensive apartments at market rates which is between 300 and 1,000 German marks per month.

Of the total number of refugees, only 40,000 have valid status documents which was granted to them because they arrived here before 10 August last year. As for all the others, the Red Cross is probably the only one to have the exact figures, given that not many of our refugees outside the collection centers desist from collecting humanitarian parcels. Nothing has yet happened about the census of all refugees in Slovenia, promised on several occasions, and about the regulation of their status.

Defense Committee Chairman Suspended
93BA1325B Ljubljana SLOVENE in Slovene
21 Jul 93 p 1

[Article by B.K.: "Zmago Jelincic Temporarily Suspended"]

[Excerpt] Ljubljana—At yesterday's meeting of the defense committee, most of the discussion was devoted primarily to the letter from eight deputies; because of improper work by the chairman of the defense committee, Zmago Jelincic (SNS [Slovene National Party]), they demanded his replacement.

Most of the committee members, to be sure, were of the opinion that the committee's work had been hampered by the way in which the chairman conducted meetings, but in spite of that some of them still tried to "mitigate" his behavior. Vika Potocnik (Liberal-Democratic Party) and Dr. Janko Predan (Greens-Ecosocial Party) said that both Jelincic and the committee were to blame. Jelincic was supposedly assisted in settling scores and quarreling by the committee members themselves, while Borut Pahor (United List) stated that the personal views of the committee chairman should not be a reason for his replacement, and added that his replacement could cause a chain reaction in all the other committees as well. Regardless of the conflicting opinions, a decision was made by a majority of votes (Jelincic himself also supported it), namely that the replacement of committee chairman Zmago Jelincic, in addition to the Commission on Elections and Appointments and Administrative Affairs [KVIAZ], would also be discussed by the deputies' groups, and that until a final decision, meetings of the defense committee would be conducted by his deputy chairman, Alojzij Metelko (Slovene People's Party). The members of the committee also adopted the proposed decision by Marjan Stanic (SPS) that the deputies' groups and KVIAZ decide on the future ratios of parties in republic committees. [passage omitted]

Russian Economic Delegation in Ljubljana
93BA1325C Ljubljana SLOVENE in Slovene
21 Jul 93 p 1

[Article by Bojan Humar: "For Economic Cooperation"]

[Text] Ljubljana—A delegation from the Russian Federation, headed by Sergej J. Glazijev, minister of foreign economic relations, arrived for a visit to Slovenia yesterday as part of the Slovene-Russian days that will last until Sunday [18 July]. The guests were first received by Foreign Minister Lojze Peterle, and in the working program that had to do with mutual economic cooperation, the economic part of the delegation met with Dr. Maks Tajnikar, minister of economic activities, and M.A. Vojka Ravbar, state secretary for foreign economic relations.

The main topic of the working talks was increasing mutual trade and possibilities for also gradually introducing higher forms (coproduction, the establishment of joint enterprises, etc.) of bilateral economic cooperation. Transactions handled by the states (for example, oil, gas, etc.) are proceeding satisfactorily, but both sides want more commercial cooperation between enterprises themselves. The two states are having difficulties because of the transition to a market economy, even though there are still many possibilities for cooperation.

Sergej Glazijev emphasized that Slovene enterprises could immediately increase exports of food and medicines, and Russia would pay for them with fuels or other raw materials. They are also offering joint projects in machine production, forestry, etc., and joint approaches in the markets of developing countries.

Dr. Maks Tajnikar said that the two states were encountering similar problems in their national economies. Russia was always an important market for us, whether exports or imports of goods and services were involved. New trade relations should be built primarily on the basis of increased deliveries of Russian oil and gas. Our enterprises could also be links in trade between Western enterprises and that country. Higher forms of cooperation should dominate mutual economic cooperation. Economic interest in this was shown on both sides.

In the State Assembly, Borut Pahor, deputy chairman of the parliamentary commission on international relations, received Evgenij Ambartsunov, chairman of the Russian parliament's foreign policy committee.

Federal**Latest Price Hikes Boost Inflation 2,000 Percent***LD1308125693 Belgrade TANJUG Domestic Service in Serbo-Croatian 0927 GMT 13 Aug 93*

[Excerpt] Belgrade, 13 Aug (TANJUG)—The latest price hikes have raised inflation as much as 2,000 percent from 22 June to the end of July, it has been calculated in Belgrade's Institute for Market Research [ITI].

In a TANJUG interview, ITI researcher Toma Milisavljevic explained that in the last 10 days of July inflation increased 20 percent a day, which works out at almost one percent an hour. [passage omitted]

Commentator Assesses Possible Air Strikes Against Serbs*AU1308171593 Belgrade Radio Beograd Network in Serbo-Croatian 1430 GMT 13 Aug 93*

[Commentary by Momir Brkic, editor in chief of the "An Argument More" program]

[Text] Judging by everything, especially the statements made by leading politicians in the U.S. Administration, we are at the threshold of the civil-religious war in Bosnia-Herzegovina flaring up even more and spreading right across the Balkans. If this happens, the question is whether the war will only remain a war in the Balkans. Here is a commentary by Momir Brkic:

[Brkic] This conclusion and possibility were indicated above all by the behavior of the United States. The United States has recently been particularly militant, and, regarding the Bosnian Serbs, and not only them, increasingly disposed to make ultimata. The Serbs are being threatened with air strikes, not only against their positions, but also against their command posts, communications, and so forth. Air power has been placed in the service of diplomacy. This is how the United States is interpreting the resolution adopted by NATO Council in Brussels on 2 August.

The resolution explicitly states: Air strikes envisaged by the Council's decision are limited to support for humanitarian aid and must not be interpreted as a decision to intervene militarily in the conflict. Some individuals in the United States in fact are hoping for this and announcing this. This is obviously a stumbling block among the NATO allies. It is no accident that General Jean Cot, commander of the peace forces in the former Yugoslavia until recently [as heard], said not so long ago that he understood the NATO Council's decision to be air support that should dissuade the warring sides from further clashes, but not reprisals.

After all this, we wonder what the real intentions of the United States are. Does it want to contribute to the ending of the war in Bosnia-Herzegovina, or is it using this war to demonstrate its military superiority and the dominant role of NATO in the United Nations. It

appears that the latter is the case. Will the United States adhere to this Brussels resolution, which it adopted itself? And finally, will it first carry out air strikes and only then inform the NATO Council and the Security Council? The second possibility has not been ruled out. It would not be the first time that the United States behaved in this way. The days ahead will provide answers to this and similar questions.

There are serious rifts among the NATO allies concerning the approach to the Bosnian crisis. This is already known and is noticeable at present. The United States is ignoring UNPROFOR [UN Protection Forces] Headquarters' reports from the field. The United States, and not only the United States, is ignoring the willingness of the Bosnian Serbs to end the war and find a peaceful solution. It is not the Bosnian Serbs that are strangling Sarajevo and blocking humanitarian aid. They are cooperating with UNPROFOR on the opening of two roads to Sarajevo so that humanitarian convoys can freely get through. Moreover, they have been doing much on the supply of electricity, gas, and water to Sarajevo. After all, Sarajevo receives its water from wells on Mt. Jahorina, which is under Serb control. These wells have remained open throughout the war.

The Serbian forces have pulled back from both Igman and Bjelasnica. This also is not enough. Mr. Christopher has said that the withdrawal is not sufficient. The Serbs must stop the strangulation of Sarajevo. These and other facts are pointed out not only by the leaders of the Bosnian Serbs, but also the most responsible people in the headquarters of the peace forces. All this is simply being ignored. The threats and pressure continue. This kind of policy is not leading toward peace, even though it is being justified in the media campaign in terms of the protection of, above all, children, as if in an air strike children, women, and the elderly would not get hurt the most.

The Bosnian Serbs have so far done much for this crazy war, which they did not start, to end and a solution to be found that would be acceptable to all peoples in Bosnia. In this sense, a few days ago they signed an agreement with the commanders of other warring sides. The agreement was initialed by General Briquemont. This agreement is considered to be one of the most important peace agreements in the last few months.

However, all this appears not to be enough to please certain world powers. They are setting new demands all the time. Judging by the threats, they are going much further than authorized by the NATO Council's resolution. It does not matter to those who are threatened with bombs and missiles whether this will be done under the formal auspices of the United Nations and with the authorization of the secretary general. The essence is that the blame for the war is only being shifted to one of the three warring sides, the Serbs. This does not lead to peace. Those who do not understand and accept this, and who are trigger-happy, have obviously not learned any lessons from history regarding the people living in this

region. Finally, they do not wish well for themselves or their people. As regards the Serbian people, let us recall the wise message: Those who are attacked have the right to defend themselves. No one can deprive them of this right, not even those who are waving the sword in their war-mongering delirium.

U.S. Policy Toward Regional Crises Examined

AU1408153193 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 14 Aug 93

[Commentary by Todor Mirkovic]

[Text] In its new strategy of reacting to regional crises, the United States relies on the extremely developed political, propaganda, and information activity, diplomatic activity, alliances, and strong armed forces deployed in a wide strategic spectrum.

The strategy of reacting to regional crises has all the characteristics of a policy [word indistinct] of force. According to the means and methods that this policy employs, it can be assessed as being a missile diplomacy, just as the policy and strategy of Victorian England in the last century was assessed as being a gunboat diplomacy. There is a certain similarity between these two diplomacies and strategies, but there are also differences.

Imperial England's gunboat diplomacy was conducted primarily toward dependent countries. The distribution of missile diplomacy is almost universal. It is conducted toward all those peoples and countries that are not part of the new world order or are trying to break out of this order. The main instrument of gunboat diplomacy was the great ships of the Royal Navy stationed in distant seas and oceans.

The means of missile diplomacy are much more varied and widely distributed. They consist of missiles of various potential and for various use. They have launchers and carriers on land, air, seas, and under water. The missiles and their carriers—aircraft, ships and the entire U.S. Armed Forces—are stationed in many parts of the world, particularly in the vicinity of critical regions.

The strategy of reaction to regional crises and its variant of missile diplomacy has been practically tested in the Persian Gulf. Certain aspects of it are being employed in our areas as well. Almost from the very beginning of the former Yugoslavia's breakup, accompanied by armed clashes, the Federal Republic of Yugoslavia has been constantly exposed to threats of force, which could be realized primarily through action from a distance, through missile strikes on chosen targets.

Over time, these threats have focused on Bosnia-Herzegovina—that is, the republic of Srpska—and its armed forces. Lately they have intensified and are accompanied by various aspects of demonstration of force, including the demonstration of power in the Adriatic and the Apennine Peninsula, which should implement the last phase of missile diplomacy. Like any

other, missile diplomacy elicits a reaction. Hence, the increasingly loud reaction of the broad international public to the U.S. way of solving local and broader international problems. Because of this and other circumstances, it can be expected that U.S. missile diplomacy—conducted toward the FRY [Federal Republic of Yugoslavia] and the republic of Srpska—will culminate in threats and a demonstration of force.

U.S. Role in Deadlocked Negotiations Viewed

AU1408204893 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 14 Aug 93

[Commentary by Stevan Grubac]

[Text] It is now crystal clear why the Geneva peace negotiations have hit a deadlock—that is, why peace has been postponed once more. The crisis in the Geneva negotiations has been caused by the U.S. Administration with its arrogant threat that it would bomb Serbian positions. Therefore, no one else but the U.S. Administration headed by President Clinton has postponed peace in the former Bosnia-Herzegovina at a time when much-desired peace seemed to be closer than ever before from the beginning of conflict.

There is an increasing number of those who—depending on political coordinates—are having reservations about the U.S. way of solving the crisis in Bosnia. On 11 August, the Russian Foreign Ministry expressed its commitment to a political solution and against a military solution. On 12 August, the Russian Parliament announced that Washington's threat of force against the Serbs was a disgraceful decision. A group of deputies asked that the Foreign Ministry should say in advance what stand it would take in the Security Council. French Foreign Minister Alain Juppe also expressed his commitment to a political solution to the crises, rather than bombing. Yesterday French Prime Minister Balladur openly said that the United States was endangering the Geneva negotiations.

The Greek Government also stated that it was against the bombing of Serbian positions. Romanian President Ion Iliescu expressed a similar view. The Hungarian Government also distanced itself from U.S. intentions. Moreover, it is hard to believe that Bill Clinton might embark on this adventure alone, despite the Security Council, thus taking upon himself so much responsibility. None of the analysts believe that a U.S. military intervention would not cause the war to spread. At the same time, U.S. Secretary of State Warren Christopher is putting new requests before the Serbs, despite the fact that they have withdrawn from Mt. Igman and Mt. Bjelasnica. The U.S. secretary of state is completely silent about the flaring up of the war between the Muslims and Croats.

Of course, Christopher's statements and the U.S. Administration's announcements are accompanied by a synchronized media campaign of all the leading U.S. newspapers and certain television networks. Similar

campaigns are being launched again in both the Italian and Austrian press. All this seems to have some connection to the pope's visit to the United States. Lord Owen and Thorvald Stoltenberg seem to have made a good tactical move in Geneva and have set the continuation of the negotiations for the beginning of next week. Since Alija Izetbegovic has announced that the negotiations would resume for certain, does this not mean that he himself, relying on his sources, does not really believe the U.S. threats directed at the Serbs, and does that not mean that these threats essentially had as their objective political rather than military aid to Alija Izetbegovic and the Muslim side in Geneva rather than in Bosnia itself.

In addition to French General Cot's request to Butrus-Ghali—and Cot is the UN Protection Forces' [UNPROFOR] commander in Bosnia—that the U.S. military hospital should be transferred from Zagreb to Sarajevo so that it would also be exposed to possible air strikes, let us quote another French general, Pierre (Galleau): You do not bomb a people who on two occasions chose the French side in war and paid for its struggle by losing more than 2 million people. It is said that the number of friends is not important; what is important is that they are real friends.

Unprecedented Monetary Expansion Planned

93BA1330A Belgrade EKONOMSKA POLITIKA in Serbo-Croatian 19 Jul 93 pp 21-23

[Article by Vladimir Grlickov: "Dangerous Liaisons"]

[Text] The most striking evidence concerning the system of primary issue, which is causing unprecedented monetary expansion, is to be found in the figures that there will be a growth of credit of the National Bank exceeding 3 million billion dinars, according to recent projections, for the third quarter of this year. The scale of this primary issue can best be judged by comparing that figure for the third quarter with the "mere" 60,000 billion dinars in the second quarter. Nor is it certain that primary issue will stop at those figures in view of the fact that these are official projections, which in today's monetary environment of illegal flows and obligations assumed (to the Serbian krajinas, for instance) certainly do not provide an insight into everything that is happening in the monetary sphere. Nor does it include the possible monetary effects of servicing old foreign exchange savings in the amount of \$30 million per month.

It is not a good thing that a situation has been created in which primary issue represents the only way out, or, as it was put by Milan Kovacevic in the Council of the Bank of Vojvodina, for all practical purposes the only source for credit financing in the banking industry (as can be seen from the enclosed balance sheet). Banks, enterprises, governments, and social welfare funds are living and depending on primary issue, which, whatever justification there might be in the unfavorable environment (the sanctions, the decline of business activity, etc.), is

resulting in the creation of dangerous liaisons that threaten complete nationalization. Above all, this represents nationalization of the banking system through large redistributions of credit activities and note-issuing activities on behalf of the central bank. This is grist for the mill of those who advocate the idea that under extraordinary circumstances it is indispensable that the government "take matters into its own hands" on behalf of survival, but also more efficient regulation of this sphere. This is a case of historically superseded aspirations and arguments which are contested by Stanko Radmilovic: The government's effectiveness in direct regulation drops off sharply with an increase in the number of instruments which it holds directly in its hands.

The system of primary issue has been completely distorted, and that did not happen "yesterday." All political factors, from the parliament, government, and officials to the city and opstina claim to influence monetary policy. They all lay claim to primary issue, although objectively they do not understand the problems here and know nothing about them.

The central bank has been turned into a commercial bank extending credit not only to the government and immediate users, but also directly to enterprises. At the same time, the "real" commercial banks, which under normal conditions ought to be doing those jobs instead of the central bank, have been turned into mere service departments of this governmental financial institution or have been bypassed completely. The high outflow of cash outside the bank and also the raising of legal reserves to a high level (paid on fictitious deposits) are aimed at taking away the normal functions from the banks.

It was assumed that the new Law on the National Bank would solve the problem and that the central bank would be given the market-oriented role which it has in the advanced countries. In formal terms, the republican national banks were abolished as instruments of various political power centers, but consideration was paid neither to the unfavorable environment that frustrates any kind of monetary sovereignty of the central bank, nor to certain "naive" technical solutions: For instance, while the National Bank is abolished, the branch office which is its successor is granted the status of a juridical person.

And there is no reason to waste words particularly on the meaning of the "big game" related to granting sovereignty to the central bank when the governor is being removed at the same time. As Miodrag Zec has put it, if changes were really wanted in the monetary system, they should not have changed the governor for at least five years. Nor is it a good thing that while great powers were granted, the governor's responsibility was not defined at all, by contrast with experience in the advanced countries: in Germany, for example, as Zivota Ristic points out. In other words, in Germany counterfeiting and destroying the value of the money result in criminal prosecution of the central bank's manager and a 12-year prison sentence. There is no provision for the central

bank becoming independent of the political authorities and as such assuming the role of the sole channel for primary issue.

In the situation when the law that claims to bear the attribute of market orientation includes elements contrary to that aspiration, the present state of chaos will not be superseded. Mirko Vasiljevic rightly mentioned that that will mean maintaining the situation of contractual insecurity, and thereby property insecurity, and a hindrance to creating a rational system, in addition to practical inauguration of the phenomenon of plundering the public. That is, the Law on Banks legalizes so-called nonbank operations present in financial organizations, but also in certain banks. It is a story to itself that a step backward is being taken in that decisionmaking on important business decisions is being returned from professional management structures to bank assemblies, with dominant influence of the largest debtors.

The primary issue used to cover the immense budget deficit at the level of the federation and the republics is a separate problem. The repeated rebalances of the federal and republic budgets have brought primary issue for the budgets up to 1 million billion dinars, and judging by the fact that over intervals shorter than one week primary issue for certain purposes is doubling, that will not be the final bill for covering the deficit. It is not a good thing for the law establishing the NBJ [National Bank of Yugoslavia] as an institution in the system to legalize primary issue to cover budget deficits (30 percent for the federal budget and 10 percent for the republic budgets, not counting social welfare funds), because in practice this opens up room not only for "dissolving" the government balance sheet into the balance sheet of the NBJ, but also for complete loss of control over this, the most important cause of monetary expansion. The chances of bringing this expenditure within reasonable limits, in keeping with the general adverse situation, are diminished.

The so-called selective program for credit financing from primary issue has remained in the Law on the NBJ, which is one more piece of evidence that the old system in which the central bank is given the role of creditor is being preserved. Market channels for primary issue have not been provided for, such as rediscounting and discounting quotas based on property and securities put up as collateral. The selective dimension of primary issue has always aimed at satisfying certain political interests, with arbitrariness coming from outside, and the principle of choosing only certain sectors to have credit financing from note issue has always been conceived as a granting of privileges to some and an occasion for demands that all "take cover" under the seemingly pleasant umbrella of primary note issue, which provides security against poor business management, losses, and mistaken investments.

The current issue in that connection is the primary issue for the purchase and inventories of agricultural products (above all, wheat) and the policy of avoiding any kind of

monetary restrictions for those purposes, along with frequent adjustment of the purchase prices. For that purpose alone, the sum of primary issue, before the last price adjustment on Wednesday, was estimated at 1.2 million billion dinars. The arguments are that for agriculture, which is one of the rare sectors "enabled" to furnish supply without causing inflation, must be furnished money at any cost, accepting (Vojin Bjelica, governor of the Vojvodina National Bank) a change in the system of financing over the long term. At the same time, it would be good to take into account everything that is being done in that name today, including the "advancement" of the demand for primary issue to be put to practical use for capital investment, not accidentally in the amount of 100 million marks, which was the amount envisaged for purchases in agriculture. The life of everything that basically has no long-term prospect is in practice being prolonged in that name. Allegedly, the problem is that no one has made a selection of which sound firms should be supported, nor is there any appropriate calculation of how much that will cost.

It is also an anomaly that even official primary issue, before it reaches the ultimate user, in this case the peasants, is being used for transactions on foreign exchange markets (the black market, the use of account money, and so on); repressive measures against street dealers cannot be avoided until a "bite" is made into the essential economic reasons for the flight of dinars into foreign exchange (foreign currencies). Among other things, the interest rates on dinar deposits have to be made attractive, keeping up with prices completely or at least partially, regardless of the monetary sacrifices: That is the objective also pursued by the proposal that room be created for the banks to offer higher interest rates on deposits in that they would be freed of legal reserves or costs they incur in using primary issue. This is the only economical way to restore confidence in the dinar and to try to halt dollarization (or markization) of the domestic system.

Certainly, it is possible to use primary issue in an orderly and purposive way through the application of certain other financial instruments, such as accepted drafts (akceptne menice) which afford mandatory removal of money from the accounts of the banks and its transfer, say, to agriculture. However, this presupposes the formation and greater importance of what is called the bank's bill portfolio, which is rediscounted with the NBJ. It is not a good thing that on the assets side of the balance sheet of banks bills of exchange, and securities in general, do not have adequate market importance and that all this is based on ordinary credit claims (most of them bad debts). Nor is it a good thing that all of 90 percent of the claims listed on the balance sheets of banks represent conventional loans, and only 10 percent loans based on securities. In advanced banking, no more than 20 percent of their claims pertain to credits, and if that limit is exceeded, then that is a sign that something is wrong in the bank's business management (in this case, the inspectorates investigate to see what is happening with it). But

even this represents one of the anomalies in the system, which, along with all the rest, results in the creation of dangerous governmentalizing liaisons and dominant dependence of almost all spheres of society on primary issue.

Firms' Directors on Shortages of Goods

93BA1317A Belgrade POLITIKA in Serbo-Croatian
20 Jul 93 p 9

[Article by Bogdan Trbojevic: "Fear for Tomorrow Is Emptying the Shelves"]

[Text] Almost never on the domestic market have things been so confused and never have there have been so many disruptions as in the last two weeks. The rise of the mark on the black market and inflation are galloping with unprecedented speed and ferocity. In order to at least preserve some value of the dinar they obtain, consumers are buying everything, but most of all food-stuffs and hygiene products. And when goods appear in stores, they disappear with lightning speed. Prices have brought about an authentic explosion, and in that collapse of the market all reasonable parities have also been destroyed. There are cases when potatoes are more expensive than sugar and mineral water more expensive than vegetable oil....

The Shortage of Food and Hygiene Products

So that we might get at least an approximate picture of what is happening on the market at this moment, we put just three questions to the directors of Ateks, Zvezdara, and Gorica: Why are there no goods, what are consumers buying most, and what should be done on the market to straighten out things at least to some extent?

Milivoje Stanojlovic, general director of Gorica, told us:

"There are no goods, and the list of articles that producers are ceasing to supply is getting longer. We do not know whether they are producing those goods or not, but we are not getting the goods. Usually, the producers justify their behavior in terms of the prescribed prices, which are such, in their opinion, that it does not pay them to produce in view of the daily jump of the German mark.

"By and large, there are the basic products, bread and milk, but for whatever else they happen to find, and these things disappear very quickly. Aside from food-stuffs, there is a great shortage of hygiene products: soap, toothpaste, detergents....

"Consumers are buying whatever they find in the store, and they almost never ask about the price, availability is the only important thing.

"In my opinion, the reins have been dropped, it is a bit late for everything, and I do not have any idea of what could be done to move in the direction of stabilization of the market."

Factories on Vacation

"I can only say in conclusion that the government should at least be concerned that the situation as it now stands is disastrous. I have always been an optimist, but this time there is no room for optimism," Stanojlovic says.

Dusan Petrovic, general director of Zvezdara, said:

"There are two very serious reasons why there are no goods on the market. Many firms are on collective vacation. Second, stores do not have enough money to pay for the goods in advance, which is what the producers are demanding.

"People are buying everything and not asking about the price. The biggest sellers are hygiene products and food. Meat and meat products, canned goods, processed fruits, that is, all food, are being sold in great volume.

"The price system has also had a great deal to do with the shortage of goods. Factories for processing meat are shut down, or if they are operating, they do not release the goods for sale at those prices. It is completely the same thing with sugar and vegetable oil. If prices were freer, there would be more goods, at higher prices, of course. It is untenable for one kg of potatoes to cost 3 million, and a kg of sugar 1.3 million. There are similar parities between vegetable oil and mineral water," Petrovic said.

Milomir Radovanovic, general director of Ateks, also gave us his comment:

"There are not enough textiles to meet the demand on the market. The total supply on the market has been reduced to the present Yugoslavia. Textile producers have immense difficulties obtaining production supplies, raw materials, and energy.... Supplies of these products have been reduced to an extremely low level in terms of both quantity and assortment. The main problem is the high dependence on imports. An additional trouble is the steady loss of the dinar's value, while foreign currencies are climbing at such a rate that the period of time between the import transaction or production and the time of sale and collection is becoming too long for the producer. Production capability is thereby threatened as well. And when these goods turn up on the market, their prices, which have to be what they are, give the consumer a shock.

"This situation demands urgent and comprehensive measures over a very broad front of overall business conditions, but above all in the monetary and financial area. Priorities must also be established in the activity of government bodies and agencies, and the economic chambers, from the city to the federation, should be involved in all business flows, which are in an extremely disturbing condition," says Milomir Radovanovic.

Trade Unions Warn Federal, Republic Governments

93BA1317C Belgrade POLITIKA in Serbo-Croatian
17 Jul 93 p 10

[Article by M. Petric: "A Protest of Going Back to the Factories Is Threatened"]

[Text] The explosion of prices and complete loss of value of the minimum subsistence payment of 90 million dinars, which, as a matter of fact, has still not been paid to everyone and under present legislation cannot be increased, the dwindling number of workers who are working, and the ever more pronounced operation of the black market, which incidentally hijacked the money from primary issue intended for the purchase of wheat and revival of production—these are the main reasons for the dissatisfaction of textile workers, metalworkers, construction workers, chemical workers, workers in the nonmetallic minerals industry, and in agriculture. Their industrial unions, which have a membership of more than a million, yesterday warned both the Republic and Federal Governments, seeking the most urgent resolution of the burning problems. Otherwise, they said at yesterday's press conference that they will call for the workers to go back to the factories and begin a general strike, whose commencement is envisaged possibly for 1 September.

According to yesterday's prices, the subsistence payment of 90 million is not enough even for one-fourth of subsistence, but even as depreciated as it has been (reduced to 10 German marks), it is unattainable for many collectives. Nevertheless, the trade unions will seek adjustment of that amount.

Aleksandar Pejakovic, president of the Trade Union of Metalworkers, believes that this must be dealt with as of Monday [19 July], if only by an annex to the agreement or in some similar way. Certain hopes will undoubtedly be put in the upcoming meeting of the delegation of the trade unions with President Slobodan Milosevic. It is true that they visited the president of Serbia some 20 days ago because of the dispute with the Government of the Republic, when it was agreed that at the end of that time they would meet again and summarize what had been done of what had been promised.

Sociologist on Instability of 'Regime'

93BA1314B Belgrade BORBA in Serbo-Croatian
20 Jul 93 p 16

[Interview with Ljubisa Mitrovic, professor of sociology at the School of Philosophy at Nis University and president of the Social Democratic Movement of Serbia, by Zorka Miladinovic; place and date not given: "A Nest in the Crater of the Volcano"]

[Text] *The assessment that "hunger is knocking on Serbia's door" or "babies just born are dying because there are no drugs" or "a long winter without heat lies ahead of*

us" is no longer any surprise at all. We talked about the certain social misery and uncertain "rebellion of the people" with Dr. Ljubisa Mitrovic, professor of sociology in the School of Philosophy at Nis University and president of the Social Democratic Movement of Serbia.

[Miladinovic] Do you believe that there will be a social explosion under these circumstances?

[Mitrovic] In spite of the high hyperinflation, the drop in the standard of living and the poverty that is entering almost every home, rising unemployment, and the high charge of the structural crisis, we are witnesses of a social paradox: While the population is getting poorer and poorer, its voice is getting quieter and quieter. This people would like any regime. It seems to be what Kocic said: "The people have become calm, they are so grateful to be able to breathe at all."

Sociologists will have to explain the causes that determine that kind of paradox. A study will have to be done on whether "reconciliation to one's fate" occurred because of the activity of political parties (there is a fear of repression by the government, but also the public's dissatisfaction with the opposition), because of manipulation of the mass media, or the social composition of the population, which to a large degree is "half-breed." It is certain that the symbols of the "promised land of Serbia" have had their role to play, as well as the values of patriotism at a time when the nationality question is being decided, and there is resentment of the "external factors," which serves as an umbrella for those within the country who are causing the social misery.

But that does not mean that we are not traveling straight toward the bottom, and social phenomena are difficult to predict. It is certain that two-thirds of the population are living on the edge of poverty, that the lines are getting longer and longer, the stores emptier and emptier, and the tolerance threshold has been destroyed. This suggests the possibility of a storm coming according to the scenario in the Latin American countries. The current government has made its nest in the crater of a volcano, and even though the repression is being strengthened and police academies are being established, there is no government that could control that kind of conflict. And which could survive when the conflict flares up.

[Miladinovic] Do you think the present government will resort to repression when empty stomachs begin to talk and there is social unrest?

[Mitrovic] The credibility of the incumbent party, based on the national program, and the authority of Slobodan Milosevic, still mainly dependent on support of his foreign policy, are slowly melting away. Their model of governing Serbia, which is authoritarian and too reminiscent of real socialism, is creating only a temporary and apparent unity in the country. The group in power is not open to cooperation even with the forces of the left, and there is still no openness to the potential of the entire society. Serbia is traveling obstinately toward a system of tyranny, and the tragedy of the current government is

that it has entered into self-isolation at precisely the time when reality itself is discrediting both it and its policy. This reminds me of the joke about the Gypsy to whom they offered the empire and imperial privileges, and he asked: "But is it certain that there will be enough to eat?" The present government is moving toward the certainty of having to give up its empire for bread. And of being forced to smother in its own helplessness and the unhappiness which it encouraged. But because it is governing complacently and is jealously preserving that kind of power, it is certain that it will use every means to control the social and political processes in order to stay in power.

[Miladinovic] Does this presuppose the possibility of invoking emergency powers or some kind of dictatorship, and what do you think is the alternative to such radical measures?

[Mitrovic] Unless the government opens up to society, unless it democratizes institutions and the system of government, a parting of the ways between society and the forces of the system is inevitable. In such a situation, Serbia will objectively be closer to dictatorship, and I assume that then the regime will use the last argument which it has—the argument of force.

[Miladinovic] The Social Democratic Movement of Serbia, of which you are president, is insisting on unification of Social Democratic forces in the country.

[Mitrovic] Many expect the crisis to unravel quickly, but my assessment is that that will not occur. One must be realistic in devising a strategy for political activity, and sometimes even small steps can bring big surprises. The opposition ought not to be so disunited, and at the same time burdened with retrograde concepts and its own authoritarianism. Given the painful transition from the old regime to a democratic system, which in our country is being complicated by the war and the sanctions, there is also a need for a strong Social Democratic movement which would not be turned toward power and capturing it, but toward society, toward democratization of everyday life, toward the ordinary man and his needs.

We have therefore sent a letter to the Social Democratic parties in Serbia in which we offer cooperation with the prospects of a possible unification. We are cooperating with the Social Democratic parties on the space of the former Yugoslavia, and in the fall we expect to exchange delegations with related parties in the Balkans, Europe, Scandinavia, and possibly Sweden.

[Box, p 16]

Democratic Compromise as a Salvation

The salvation for the conflict-torn and exhausted country lies in a historical compromise on key political, ethnic, and social issues, in which all the forces of society (economic entities, the government and the opposition, the intellectuals) would have their place. Only through a strategy of democratic compromise is it possible to make

a serious attempt to pull out of the complex crisis a society in which the motivation to work has almost been destroyed, and except for criminals and speculators everyone is depressed. It is a disturbing fact that the government is not showing enough openness to a government of national and civil unity, that is, to a concentration government of experts in which the questions "What party do you come from?" and "What is your name?" would not be asked.

Emergency Measures for Dinar Urged

93BA1322B Belgrade POLITIKA in Serbo-Croatian
21 Jul 93 p 9

[Article by Lj. Rabrenovic: "Extraordinary Measures for the Dinar"]

[Text] The settlement agencies in Serbia have been facing an acute shortage of cash in recent days. There is no money to purchase agricultural products or to pay wages and pensions. It is almost impossible to get to the windows in these branch offices, people have begun to make threats, taking the attitude that they are the ones to blame that they do not have dinars, so that even the police have begun to guard the headquarters of these institutions. These problems were in fact the main topic of yesterday's meeting of all the directors of branch offices of the Agency for Settlement and Financial Supervision of Serbia, which was attended by Zarija Martinovic, that agency's general director, Vojislav Tomic, cashier of the NBJ [National Bank of Yugoslavia], and Milko Djuric, cashier of the National Bank of Serbia [NBS].

Vojislav Tomic, cashier of the NBJ, said that the country at the moment is facing extremely difficult conditions such as have never been recorded before in our history.

Why There Is No Cash

"So far, 300,000 billion dinars of printed money have been put into circulation, not counting the portion that goes to the army. It is obvious that this is not enough, so that we must do business in other ways as well. If, for example, accounts are closed, there is not even a banking system. As for money to buy agricultural products, Serbia received 51 percent instead of 63, Vojvodina 63, Montenegro only 5 instead of 10. It is true that cash has to be paid to the peasants, but it is impossible to furnish it," Tomic said, adding:

"It is absurd for dinars to be taken onto the street and to be used for speculative purposes. However, only exceptional government measures can put a stop to that. We have tried in every possible way to fight inflation. Specifically to that end we have so far printed eight bank notes since the beginning of this year. We did this at our own risk, because otherwise there would long ago have been a collapse of our monetary system," Tomic said.

From what he said, between 10,000 and 12,000 billion dinars will be put into circulation every day until

Monday. Reinforced supply will begin on Monday, in the value of 60,000 billion dinars a day. Thought is also being given to currency reform of the dinar if the government accepts the solution being offered by the specialists. In late September, the first bank notes would appear following the currency reform—minus three zeros. In the meantime, tokens for metal money have already been prepared in the vault of the NBJ. As for small-denomination paper notes, it is senseless to print them, because immense quantities of paper are needed.

Zarija Martinovic, the agency's general director, began his statement with the question of whether this state is surviving or we are losing it? If this kind of chaos continues, he said, we will say good-bye to the country in some 20 days.

Criminal Penalties Instead of Misdemeanors

According to him, the uncontrolled rise of the black market exchange rate should have been halted most urgently, the purchase of foreign exchange with deposited money should have been discontinued, a uniform exchange rate should have been established, the operation of savings banks, credit unions, and banks should have been reevaluated and their foreign exchange transactions stopped, primary issue should have been controlled most strictly, and speculation with that money should have been prevented. Criminal penalties should have been introduced to enforce those measures, not penalties for economic violations, and accountability for undermining the system should have been established, Martinovic said, adding: "We know precisely who is responsible for what.

"The tax police and Revenues Administration are responsible for tax policy and the National Bank of Yugoslavia for the money on the street and the private savings banks engaged in prohibited transactions, and the Settlement Agency alone monitors the depositing of the daily take and the windows. The fact must be faced that the money to purchase agricultural products must be supplied to the peasants. Otherwise, there are already indications that those products will 'end up' abroad, because no one is going to accept worthless paper instead of money," Martinovic said.

It was resolved that the functioning of all the monitoring agencies must be reassessed with the greatest urgency and an attempt made by the end of the week to supply money at least for pensions. There was also a call for representatives of the NBJ to address the public this very evening and present the real situation and tell the people what the country possesses. A proposal was also made to suspend the decree on disposition of cash and to adopt a decree on disposition of cash under extraordinary circumstances. Beginning on Monday, it was announced, a larger quantity of money should speed up business operations so as to cover priority transactions.

Serbia

Draskovic Files Charges Against Ministers, Police

LD1308172293 Belgrade TANJUG Domestic Service in Serbo-Croatian 1552 GMT 13 Aug 93

[Excerpt] Belgrade, 13 Aug (TANJUG)—A team of lawyers representing Serbian Renewal Movement [SPO] leader Vuk Draskovic and his wife Danica on Thursday [12 August] brought charges before the First Municipal Court in Belgrade, on behalf of their clients, against four ministers, high-ranking police officials, policemen, and a specialist doctor.

In today's statement, the SPO says that Milivoje Pavlovic and Milos Banicevic, the republican ministers of information and health, were charged with committing "the criminal act of being an accessory after the fact."

Zoran Sokolovic, Serbian minister of internal affairs; Rade Markovic, secretary of the Belgrade City secretariat for internal affairs [SUP, the police]; the commander of the Banovo Brdo [Belgrade district] special brigade of the Serbian Ministry of Internal Affairs [MUP]; and unidentified culprits and policemen from this brigade are being charged by the SPO of "being instigators and accomplices in the criminal act of inflicting serious bodily harm" upon Vuk and Danica Draskovic.

The list of the accused includes Serbian Justice Minister Tomislav Ivic, charged with "the criminal act of being an accessory after the fact—in connection with the proposal to start proceedings against the accused to deprive him of parliamentary immunity."

The last on the list of those accused by SPO is Dr. Svetislav Ivanovic, a specialist at the Belgrade Neurosurgical Department of the Emergency Medical Center, who is charged with "the criminal act of negligent treatment." [passage omitted]

Views of SPS, SRS Differ on Laws

93BA1317B Belgrade POLITIKA in Serbo-Croatian 17 Jul 93 p 7

[Article by Rade Rankovic: "The Socialists and Radicals Measure Off Politically"]

[Text] The Radicals are not going to defend your law, Tomislav Nikolic, who heads the caucus of the SRS [Serbian Radical Party], told deputies and ministers in the last session of the Serbian parliament. At that moment, it was clear to everyone that the minority Socialist Party will not manage to push through its bill for a moratorium on the process of transformation of social property. The Radicals, reinforced by other parties, were stronger than the Socialists.

Two months ago, again in the Serbian Assembly, the Socialists and Radicals were once again on opposite sides—over

the famous letter of the three presidents to the Bosnian Serbs, which was repeated somewhat later at the loudly announced meeting of all the Serbian parliaments at the Sava Center concerning the Vance-Owen plan.

It seems that the most striking example of the disharmony between the Radicals and Socialists is just now echoing in the Assembly of the FRY [Federal Republic of Yugoslavia] on the question of the military budget. Certain analysts of the Serbian political scene are ready to say that the dispute over the Army is according to the folk saying "Chasing the hare, they started the fox," could turn into something still bigger—into a government crisis, for example.

Why Proximity?

Last year, in a much-quoted interview of the president of Serbia in *ILUSTROVANA POLITIKA*, the crowning evidence of collaboration between the Socialists and Radicals was found in the answer of Slobodan Milosevic to a question about his favorite oppositionist politician: Vojislav Seselj. According to many people, this was only confirmation of the thesis that the leader of the Radicals is carrying out the most extreme objectives of the Socialists. An equal sign has been put between the Radicals and Socialists, or in various versions the SRS is proclaimed to be a branch office of the SPS [Socialist Party of Serbia]. Mihajlo Markovic, at that time a deputy of the SPO [Serbian Renewal Movement] in the Serbian Assembly, expanded the abbreviation SRS as the "Socialist Reserve Party."

It seems that at that time, many leaders of the democratic opposition were not taking seriously Seselj's statements after the election, which were to the effect that the Serbian Radical Party is an independent party and that the very frequent concurrence of the views of the SPS and SRS is a thing of the moment because the programmatic foundations of the two parties coincide on the issue of national interest.

Those with a bit longer memory will recall that the youngish Socialist duet Dacic-Percevic, with Nebojsa Covic in the background, was disappointed by the election success of the Radicals—probably aware of the necessity of further cooperation between the two strongest parties. Although, it must be acknowledged, there were also Socialists who were sincerely happy about the increased strength of the Radicals.

Vojislav Seselj has known how to make very good use of the background the Socialists made for him, which he has done precisely over the back of the SPS. Having taken many voters away from it, Seselj and his Radicals are making an incredible leap—to the second strongest political party in Serbia and, according to many, the strongest party in Bosnia and Krajina.

What seems to bother the Socialists the most at the moment is that Seselj is continuing to steal voters from the SPS. The lightning jump in the ratings of politicians is bringing the leader of the Radicals sympathizers not

only from among ordinary people, but also in the police and the Army. And it is at precisely that point that we should look for the beginning of the parting of the ways of the SPS and SRS.

Putting Conditions

Aware of the political strength he has, Seselj, once an observer of events, is becoming a man who is beginning to pose conditions. Accustomed to governing without any limitations, and aware that the Radicals are slowing slipping out of their control, the Socialists seem to be seized by a mild panic.

In the government, where much of this is based precisely on position, and possibly on the Army, the loss of such trumps could in the end, signify loss of power as well. Although there should be no doubt that if that should happen, many Socialists would seek to gain their livelihood from the Radicals, such things cannot be at all to the liking of the rest in the SPS.

Compared to earlier times, Seselj is at least becoming wiser as a politician. In the showdown of the Socialists with Draskovic, he has behaved in a very reserved fashion (except, lest we forget that Mihajlo Markovic's knockout was the detonating cap for everything that occurred later), aware that he could lose through unnecessary exposure.

However, he has been very active in the showdown with the top military leadership, making the "head" of Zivota Panic and other generals a condition for passage of the military budget. Somewhat earlier, one should remember, Generals Boskovic and Domazetovic were pensioned off (on the insistence of the Socialists, it is said) who were said to be "playing" to the music of the Radicals, because it seems that they are not so very ready to give up Zivota Panic, at least until they find a general who suits them, the Socialists are not giving in to the blackmail of the SRS.

Nevertheless, it seems that it is still very early to forecast the future and more bitter conflicts between these two parties. After all, they are still measuring each other's strength, and it seems that both parties have judged that possible conflicts do not suit them. As demonstrated by the episode with the Vance-Owen plan for the former B-H [Bosnia-Herzegovina], Seselj does not give up so easily, and according to certain surveys, it is he who has profited by persisting in his views.

At the same time, it also seems clear to the leader of the Radicals that he still does not have the strength to compete with the Socialists in an election, especially against Milosevic. He is continuing with short jabs to "peck at" an already groggy opponent, waiting for the right moment for the knockout. But until that happens, the most realistic assessment is that things will continue to occur at the same pace as up to now—cooperation between the two parties with an occasional conflict.

Sandzak Muslim Leader on Meaning of Bosnian Partition

93BA1314C Belgrade BORBA in Serbo-Croatian
20 Jul 93 p 16

[Interview with Rasim Ljajic, general secretary of the Democratic Action Party for Sandzak, by Zvonko Prijovic; place and date not given: "We Do Not Favor Secession"]

[Text] On the charge of "generating enmity and inciting ethnic and religious intolerance," the District Court in Uzice has banned the printing and distribution of the Memorandum on the Special Status of Sandzak, whose authors were the leaders of the SDA [Democratic Action Party]. Sulejman Ugljanin, the leader of the Sandzak Muslims, is somewhere abroad, and Dr. Rasim Ljajic, general secretary of the SDA, spoke to BORBA about current events related to the drafting and banning of the Memorandum.

[Prijovic] In the referendum held in late October 1991, the Muslims of Sandzak, from what you say, voted with a high majority for full political and territorial autonomy. Was the referendum the initial basis for the Memorandum?

[Ljajic] That decision was the basic credo in the activities of the SDA as the political representative of the Muslim people in Sandzak. The will expressed in the referendum had to be acknowledged as political reality by the government in Serbia and Montenegro. We tried under those circumstances to establish some kind of dialogue with representatives of the governments in Belgrade and Podgorica, but every attempt of ours met with refusal. Then we internationalized our problem and animated the international community, seeking support for realization of the political demands of Sandzak Muslims, which come down to the exercise of ethnic, human, and civil rights.

[Prijovic] The initial demands of the SDA leaders were directed solely toward cultural autonomy.

[Ljajic] There is no doubt that we were one of the rare political parties in the former Yugoslavia which sincerely advocated the preservation of Yugoslavia, which was the optimum interest of the Muslim people. Our slogan was that the Muslim in Novi Pazar should have all the rights of a Muslim in Sarajevo, a Serb in Prijepolje, and a Serb in Zenica. Altogether different circumstances arose with the disintegration of Yugoslavia, and that could not but bring about a redefinition of our political objectives.

[Prijovic] Those political objectives have nevertheless changed considerably. A big step has been taken from cultural to political and territorial autonomy.

[Ljajic] That change in political course took into account the European principle of the inviolability of external and internal borders, which presupposes that we exercise our political demands within the framework of the Republic of Serbia and Montenegro, that is, the FRY

[Federal Republic of Yugoslavia]. Accordingly, all the charges which are now continuing to the effect that we want secession of the territory of the state of the FRY are completely off the mark.

[Prijovic] You defended the thesis that autonomy could exist if there was a unified Bosnia and Herzegovina. That possibility is most probably being discarded, and suppositions about a possible merger of Sandzak with the Muslim portion of B-H are being heard more and more frequently.

[Ljajic] Policy is not the sum total of desires, but of objectively possible solutions, especially at a time when the strength of argument is secondary. We have no cannons, tanks, or airplanes. The future development of the political situation and the further course of events depend on what happens in Bosnia. If Bosnia really does burst along ethnic seams, then the inevitable question is posed: Why is that principle not applied to Serbia and Croatia, the two states which favor ethnic division of Bosnia-Herzegovina? Why would the principle of ethnic division not be applied to the Serbs in Krajina, or what to do with the almost 40 percent of the non-Serbian population in Serbia?

[Prijovic] Territorial autonomy, as you conceive it, would embrace six Serbian and five Montenegrin opstinas. The Serbian people comprise a majority in six of those 11 opstinas.

[Ljajic] We should demystify at once certain things which have appeared in some of the press and the statements of certain party leaders. There are two things which are the most essential for us: The first is the commitment that only political negotiations and dialogue settle the status of Sandzak as a region and the Muslims as a people, and the second is that we want to quash the malicious assertions about an alleged secession. We want participation in all the bodies of government from the opstina to the federation in proportion to the percentage of our nationality in the total population.

[Prijovic] According to certain reports and your Memorandum, Sandzak would have all the functions of state power.

[Ljajic] The Memorandum should be seen as a starting point; it is subject to changes which must be the result of the negotiations of the interested parties, and by no means the product of imposition of political solutions by force. It is not true that the Muslims in Sandzak should have all the power. It is completely clear to us that in this kind of international environment it is not realistic to expect that the present government will allow the Muslims to realize everything that is written in the Memorandum. The primary political objective is the physical and biological survival of Muslims as a people, and only after that come the other political issues.

[Prijovic] Are the international organizations aware of the documents on the special status of Sandzak, and what have been their reactions, in view of the fact that

most of them have taken the position that Sandzak is a part of Serbia and the FRY?

[Ljajic] We are still explaining the content of the Memorandum to representatives of international forums. They are not taking a position on this, because representatives of the Serbian-Montenegrin government and the Sandzak Muslims are to agree on the content itself. We want and can do nothing beyond that.

Macedonia

Gligorov Views Possibility of War Spreading

AU1308114193 Zagreb VECERNJI LIST in
Serbo-Croatian 9 Aug 93 p 5

[Interview with Macedonian President Kiro Gligorov, by Mihajlo Nicota; place and date not given: "The Sanctions Are Violated by Greece, Rather Than by Us"]

[Text] On the occasion of the 11inden jubilee—the 90th anniversary of the uprising of the Macedonian people against Turkish rule and of the foundation of the Republic of Krusevo, as well as the 100th anniversary of the establishment of the Internal Macedonian Revolutionary Organization [VMRO] in Thessaloniki—which was celebrated on 2 August in Krusevac, Kiro Gligorov, president of the Republic of Macedonia, made a speech that strongly echoed in the world, while, in some neighboring countries (Bulgaria, Greece) it elicited less positive reactions. The speech and the reactions that followed inspired us to talk with him about the present situation in Macedonia. A convenient occasion for the interview came about when we expressed our desire to personally present him with the first issue of MAKE-DONSKI GLAS, the organ of the community of Macedonians in the Republic of Croatia (the editor in chief is Ognjen Bojadzinski), that was printed gratis in Skopje on the occasion of the 11inden jubilee on the initiative of the Ministry for Culture. That was also an opportunity to discuss the conditions and perspective of Croato-Macedonian relations.

Traditional Friends of Croats

[Nicota] Mr. President, you were recently in Ljubljana, where you inaugurated the first Macedonian embassy in the world. When will the Macedonian embassy in Zagreb, as well as the Croatian in Skopje, be inaugurated? Why are the relations between Macedonia and Croatia, at least those at the state level, still at zero, and why have not they started developing like your relations with Slovenia?

[Gligorov] First, I want to say that people in Macedonia feel very friendly toward the Croatian people, and they are very interested in expanding cooperation. Those feelings have very deep roots and traditions. Therefore the obligation of both sides is to continue that friendship and cooperation between the Macedonian and the Croatian people. As for Slovenia, we really did move

several steps ahead. Still, apart from the desire to have good and friendly relations with the Slovenes, that advance is also a consequence of some purely practical needs, but also of Slovenia's different position. Today we have much better possibilities for communication, since we already have blossoming business activities and economic relations in general....

[Nicota] Recently flights from Zagreb have been resumed as well. Croatia [airlines] and Makedonija AS fly twice a week....

[Gligorov] Yes, that is also a great step toward a possible cooperation. Without direct connections, because of the blockade of roadways, cooperation is quite difficult. Besides, I also keep in mind that Croatia is still absorbed in some questions regarding territorial integrity, the cessation of war in Bosnia-Herzegovina, and so forth, which I absolutely understand. However, I do not think that such circumstances justify either side not having inaugurated embassies yet, although I see no obstacles for that.

[Nicota] Are there any prospects for breaking the deadlock in that respect?

[Gligorov] Yes, there are. These days, we are making efforts to intensify our opening toward Zagreb, and will probably express our readiness to inaugurate the embassy. We hope, in that case, Croatia would open its embassy in Skopje as well. I hope that, in that way, we would make up for everything that we have failed to do so far.

[Nicota] How do you assess the situation in Bosnia-Herzegovina? Do you see any prospective settlement, and, if so, what kind of settlement?

[Gligorov] The situation in Bosnia-Herzegovina is, unfortunately, very difficult, and, frankly, it assumed proportions that I never expected. However, a situation has been now created where we must exert ourselves in order for peace to be established as soon as possible, as well as for an agreement to be reached among the three peoples on the common future. Obviously, a step forward has been made in the negotiations so far, but many questions still remain. Those questions are connected with the huge mistrust generated, unfortunately, by the many atrocities that have occurred. For that reason, it will take time for mutual trust to be reestablished. On the other hand, those people have to live together. Even if Bosnia ceases to exist as a union, those peoples will remain living together, and they have to live that way. Therefore, we outsiders have to contribute to, and speed up, the process of bringing the war to an end, and initiate negotiations on the future coexistence in Bosnia-Herzegovina. That is extremely important, not only for peace in Bosnia-Herzegovina, but also for peace in the entire Balkans, because as long as war is the only ruler there, it may spread, and the spread of war brings even greater dangers.

Preventive Peacekeeping Forces

[Nicota] And what about Croatia? Isn't it unjust to demand that Croatia withdraw its troops from its territory, as in the case of Maslenica, in view of the fact that, despite the principle of immutability of borders, one third of Croatian territory is still occupied?

[Gligorov] Unfortunately, although all the countries accepted the principle that borders cannot be altered except by agreement, and that the territorial integrity of all countries must be regarded, interests and determinations within the international community are quite incongruous, while practicality prevails in most cases. So that one quite often forgets some very important principles, actually the only principles that ensure peace and cooperation among countries and peoples. To cut a long story short, many principles, promoted by various documents, are disregarded very frequently. It is quite clear to me that no responsible person in Croatia can renounce the territorial integrity of that state, not even under the pressure or influence of the international community. Therefore I think the only way out of that situation is to regard the territorial integrity of Croatia within the recognized borders. On the other hand, one will have to exert oneself to create conditions in which the Serbian minority will have all the rights guaranteed to any minority, particularly in the case when the neighboring country is the mother country of that minority.

[Nicota] So far, Macedonia has not been involved in the whirlpool of war. What have you been doing to eliminate the threat of war?

[Gligorov] I believe Macedonia made a right move at the right moment by asking for the UN peacekeeping forces to be deployed here, that is to say, not to come here only to separate us when a war has already started—we are witnessing all their impotence in completing such a task in Bosnia-Herzegovina—but to act preventively. First of all, it must be stated who is the aggressor from the point of view of an objective international group of observers. On the other hand, the international community must react at the right moment, and not when it is too late. Of course, all that is not enough. Therefore, by offering friendship and cooperation to all our neighbors, as well as through the European orientation of Macedonia, we are trying to settle all our issues through agreement and dialogue. We hope that, in that way, we shall avoid the possibility that the war spreads further.

[Nicota] From time to time we can hear some allegations, accusing Macedonia of violating the sanctions against the FRY [Federal Republic of Yugoslavia]. What is the truth in those stories?

[Gligorov] At the very beginning, when the first resolution on the imposition of the sanctions against the FRY was adopted, Macedonia stated it would abide by those sanctions, although it was not a member-country of the United Nations at the time. We are trying our best to observe that obligation of ours strictly, particularly since we are now a member country of the United Nations.

Nevertheless, certain problems exist. Macedonia is a transit region. We do not produce oil, and we also do not have enough assets to purchase it in order to resell it to some other country. It is well-known where that oil comes from, and not only oil, indeed. Therefore we have emphasized, many times, that just as the Macedonian borders and the products we export have been monitored, the border of our southern neighbor should be monitored as well.

We Live on Our Own Work

[Nicota] How great is the damage inflicted to Macedonia by the sanctions?

[Gligorov] As early as three months ago, we made a substantiated analysis of all the direct damage (it is difficult to estimate the indirect) that added up to 1.7 billion dollars at the time, which is quite understandable. The northern highway is our access to Europe. The surrounding, alternative, roads are quite inadequate. First of all, we do not have any railway for the transport of goods from Macedonia, either east or west. The roads are in quite a bad condition. The route via Bulgaria, Romania, and Hungary is very long. Around 80 percent of our vegetables and fruits have been exported, mostly to Western Europe, and before those goods arrive at their destinations by those alternative roadways, many of them simply rot.

[Nicota] How can you explain that, despite those damages, the people in Macedonia still live fairly well?

[Gligorov] That is, above all, the result of the peaceful policy. After all, the peace makes it possible for people to work. The private sector has been expanding. Those people, independent entrepreneurs, cope quite well, they are travelling, purchasing, finding ways of improving the situation. To cut a long story short, it is still possible to do business here, despite all the difficulties and damages. The people are hard-working, they are used to living on their own work, while in Macedonia agriculture, handicraft and trade have always had their tradition. The second factor is our resolve to move toward the market, to go for a stabilization plan and a firm monetary policy. Of course, it is quite clear to me that, if a country is involved in a war, the costs of war produce hyperinflation, bringing about an extremely unstable economic situation, that also influences the standard of living.

[Box, p. 5]

They Are Annoyed With Independent Macedonia

[Nicota] Kosovo is a time bomb. Is it going to explode? Does the danger of war spreading to the south still exist?

[Gligorov] As long as the war in Bosnia-Herzegovina lasts, the danger of war spreading to the south most certainly exists. However, it exists not only because of the war in Bosnia-Herzegovina, but also because of the unsettled Kosovo issue. As long as the Kosovo issue is not settled in a peaceful way, at the negotiating table, the

danger that the war might spill over is quite realistic. Still, there are also some other dangers that may cause disorders in this part of the Balkans. First of all, in the case of Macedonia. That is to say, the important political forces in Serbia do not accept the fact that Macedonia is a sovereign and independent country. As long as that fact is not accepted as reality, the possibility that certain aspirations may be accomplished in this part of the Balkans, through Kosovo and other issues, still exists. For instance, recently the Serbian Orthodox Church has been trying to impose its authority on the Macedonian Orthodox Church, which is nothing but pure spiritual aggression. Things usually start in that way, and finish with much more brutal methods. In view of that, it is certain there may exist more causes and reasons for the war to spread.

[Box, p. 5]

We Are Not Under the American Umbrella

[Nicota] The U.S. troops have arrived to Macedonia. How do you feel about their role?

[Gligorov] Those few U.S. troops, 300 of them, are part of the UN protection forces, that is to say within the UN mission of 700 soldiers, predominantly Scandinavians. Such an act, the addition of the U.S. troops to UNPROFOR, has been assessed as a clear signal and message to any possible aggressors and to those who want to destabilize this republic. For that reason, I think the presence of these U.S. troops is very useful.

[Nicota] Can one say that Macedonia has been under the American umbrella?

[Gligorov] One cannot speak exactly of an umbrella, but it will certainly be clear that, if anybody tries to violate the Macedonian borders and activate a new conflict in the Balkans, he will have to face the U.S. troops as well.

[Nicota] There are rumors circulating in Skopje that these American troops are only a vanguard, that some additional 1,000 troops, and even more, will arrive. These rumors also mention the drill-ground in Krivolak as a future American military base in Macedonia. What is the truth in these stories?

[Gligorov] So far, none of these questions have been discussed, while neither side has initiated discussion. Those are speculations, and are quite understandable. People wonder: Why is it, exactly in Macedonia, out of entire former Yugoslavia, that the Americans come all of a sudden? However, nothing is true in those speculations, no military base has been planned here. Those troops are stationed here, near Skopje, and their assignment is to monitor the northern border. And nothing else.

Reduction of Enterprise Debt Only Seemingly Lower

AU1508165793 Skopje MILS-NEWS in English
13 Aug 93 no page number given

[Unattributed report: "Bankruptcy Knocking at the Door"]

[Text] According to the newest data from the Government Auditing Office [GAO] of the Republic of Macedonia, towards the end of June, the unsettled obligations of the companies in Macedonia reached 570 million dinars.

These debts apply to 1,129 firms from the business and community sector, employing more than 80,000 workers.

If this is compared with the end of May, it can be seen that the companies' debts are considerably lower, that from 718 million dinars, it was reduced to 570 million dinars.

But that is not the actual picture of the settled accounts.

Quite to the contrary, the reduction of the unsettled internal obligations is not a reflection of an improved financial situation of the companies, but of a more deteriorated one. A number of companies which have a high amount of unsettled obligations towards their business partners, have filed for bankruptcy, therefore, their debts are being filed separately.

According to GAO records, by the end of June, bankruptcy proceedings had been opened for 390 firms with approximately 10,000 employees, for debts reaching up to 245 million dinars.

The experts are in doubt of these facts and claim that, according to their control, the money shortage is even bigger.

However, the companies are very cunning in evading the blockades of their own bank accounts, by not submitting the invoices that they have received to the GAO before they become overdue.

What is characteristic of the firms suffering from lack of money is that they fall under blockades several times, and sometimes receive up to 5 to 6 bankruptcy orders. In the last two years, approximately 2,000 bankruptcy proceedings have been opened against 4,000 companies in the country.

Passports Required for Travel To, From FRY

LD1408161693 Zagreb Radio Croatia Network in Serbo-Croatian 1500 GMT 14 Aug 93

[Text] The Macedonian Government has decided to introduce a system whereby passports will have to be shown for travel to and from the Federal Republic of Yugoslavia [FRY] as of September, the Macedonian press office has announced.

This decision does not mean the introduction of visas but the keeping of precise records on who is visiting Macedonia and for how long—something which has been impossible till now because people have been able to cross the border using only an identity card.

Asked at a news conference whether the Federal Republic of Yugoslavia has reacted to this decision, Interior Minister Ljubomir Frckovski replied that as yet there has not been any official reaction but that a note is being drafted in which the Interior Ministry will inform Belgrade of this change.

Kosovo

Rugova Seeks UN Protection, Welcomes NATO Plans

LD1308123493 Belgrade TANJUG Domestic Service in Serbo-Croatian 1116 GMT 13 Aug 93

[Text] Pristina, 13 Aug (TANJUG)— Dr. Ibrahim Rugova, chairman of the Democratic Alliance of Kosovo (DSK), speaking at a news conference today, repeated the demand that Kosovo be placed under a UN protectorate. In so doing he was welcoming the same demand made yesterday by Albanian President Dr. Sali Berisha.

"This would be the best solution both for Kosovo and for the whole region," Rugova said, adding that the Kosovo problem could be resolved by applying the ethnic principle, if the international community accepts this principle in the case of Bosnia.

The DSK leader welcomed the Security Council resolution which requests the government of the Federal Republic of Yugoslavia [FRY] to reexamine its decision to suspend the work of the CSCE mission in Kosovo, Sandzak, and Vojvodina.

When journalists pointed out that the FRY Government refused to implement this resolution, assessing it as interference in internal affairs, Rugova replied that the FRY "is ridiculing the international community." He said that it is not a matter of interference in the internal affairs of a state "because Yugoslavia has already fallen apart and the FRY is not a recognized state."

Asked to comment on a possible attack by NATO forces on the Bosnian Serbs, Rugova stated that he welcomes such action as a means of last resort, or rather a condition for bringing the war in this area to an end.

In connection with the recent discovery and arrest of a group of Albanians accused of preparing terrorist actions in Kosovo, Rugova said that this was a case of "yet another farcical episode of a regime which—through stage-managed political trials—wishes to exacerbate the situation and thus create an alibi for conflicts." Rugova also "located" incidents along the border with Albania in this context.

Serbian Police Surround Kosovska Mitrovica

AU1408200093 Tirana Radio Tirana Network in Albanian 1730 GMT 14 Aug 93

[Text] At approximately 1230 today, 600 Serbian policemen and soldiers surrounded the city of Mitrovica. The Kosova Information Center reports that a violent invasion by these policemen took place today in market 1 and 2 in Mitrovica.

Today, the Serbian police penetrated the offices of the Kosova Democratic Alliance [LDK] branches in Prishtina, Skenderaj, Gjilan, and Kamenice. For more details, let us listen to a telephone report by correspondent Mehmet Haziri:

[Begin Haziri recording] As you have been previously informed, beginning at 1230 today, approximately 600 Serbian policemen and soldiers raided the Mitrovica green market and then the city's main centers. The police fired with arms and brutally beat everyone that crossed their path.

A state of panic was created among citizens today on this market day in Mitrovica. Thus, to escape the police violence, many citizens left, leaving their goods and articles at the mercy of the Serbian vandals.

It is reported that the police entered the Abdulla Shabani Primary School and brutally beat the school guard for no reason. Several witnesses declared that they have seen people stained with blood, but they could not determine whether the bloodstains were a result of the shootings or the beatings from the police. It is also reported that many people have been arrested. We are still not able to ensure complete information on the massacre that occurred in Mitrovica today. Fortunately, there are no reports of anyone being killed.

The Serbian terror and violence did not spare other regions of Kosova either. On Friday afternoon, an group of 15 policemen entered the office of the third branch of the LDK in Prishtina and arrested the chairman and all the members of the presidency of this branch. They also confiscated foodstuffs in the near-by premises that were destined for economically endangered families.

Meanwhile, a group of Serbian policemen forcefully entered the premises of the National Unity Party today and arrested the four leaders of this party.

Another report from Skenderaj stresses that at 0500 on Friday morning, 60 Serbian policemen surrounded and raided the homes of brothers Halim and Hamit Mehmetaj from Lucin village in this commune. During the raid, the policemen behaved brutally and turning everything upside down.

The Kosova Information Center reports that there were maltreatments and arrests of Albanians even in the communes of Gjilan and Kamenice.

Serb Police Raid LDK Office in Pristina*AU1408133793 Tirana ATA in English 1016 GMT
14 Aug 93*

[Text] Tirana, August 13 (ATA)—Yesterday, at round 17.25 [1525 GMT], the Serbian police raided the offices of the third LDK [Kosova Democratic Alliance] branch in Prishtina while its leadership was in regular meeting.

All the participants—Agim Krasniqi, chairman of the LDK branch, Nexhat Kamberi, secretary, Rashit Sejdiu, Ali Gashi, Hajrush Baraliu, Sejdi Matoshi, Avdyll Dorovci, and Skender Ibishi, members of the presidency—were arrested.

CSCE Mission Head Thanks Rugova for Cooperation*AU1408141293 Tirana ATA in English 1015 GMT
14 Aug 93*

["'I Am Convinced Time Is Working For You'—Tore Borg Addresses a Letter to President Rugova"—ATA headline]

[Text] Tirana, August 14 (ATA)—Tore Borg [name as heard], head of the CSCE mission to Kosova, Sandjak, and Vojvodina recently addressed a letter to the president of the Republic of Kosova, Dr. Ibrahim Rugova, expressing his thanks for the excellent cooperation between them. The letter states: "Now that the CSCE missions are leaving, I would like to thank you for the excellent cooperation we have had with you and your colleagues in the leadership of the DLK [Kosova Democratic Alliance]. The daily contacts with the Democratic League of Kosova have been very useful for the members of our mission and have helped us to understand the problems of the Albanian community. It is a pity that the Belgrade authorities did not agree to prolong our mandate. A permanent international presence in Kosova would serve the interests of all those who are for a peaceful solution of ethnic conflicts. During the visit I had some days ago in Kosova, I was pleased to hear that Albanian community, although seriously provoked, will continue to follow a policy of patience and reason, the only way in which positive results can be achieved. I am now completely convinced that time is working for you. I wish you success in your work for a brilliant future for the Albanians of Kosova. I hope that the CSCE missions have been able to offer useful aid and advice in this difficult period for your people."

Serbian Official Warns Greece, Macedonia About Albanians*LD1408170693 Belgrade TANJUG in English 1640
GMT 14 Aug 93*

[Text] Prizren, Aug 14 (TANJUG)—Zivorad Igic, high ranking official of the ruling Socialist Party of Serbia (SPS) in Serbia's province of Kosovo-Metohija (Kosmet), has warned that the separatist movement of ethnic Albanians in Kosmet has territorial pretensions not only towards the Yugoslav republics of Serbia and Montenegro but also towards the western part of the former Yugoslav republic of Macedonia and northern Greece.

At a meeting with members of a delegation of U.S. congressmen, who arrived in Kosmet on a one-day unofficial visit on Saturday, Igic warned that this goal of the separatist movement could only be obtained in a big world conflict.

Igic also said that a greater Albania existed during World War II under the patronage of the fascist powers.

Replying to the congressmen, chief of the Prizren district Lazo Damjanovic said that the main problem in education in Kosmet is that ethnic Albanians do not accept the curricula set by the Serbian government but those of neighbouring Albania. By doing so they demonstrate their wish to have a republic in Kosovo and to join Albania.

A strong separatist movement of ethnic Albanians has been active in Kosmet for the past several decades. Its leaders openly advocate a proclamation of a "republic of Kosovo," a secession from Serbia and the Federal Republic of Yugoslavia and joining of Albania.

Ethnic Albanians have not been recognizing the authorities and the laws of Serbia and Yugoslavia for the past two years by refusing to go to work and to attend schools. They do not pay taxes and they boycotted the multi-party elections in 1990 and 1992. Over 140 terrorist attacks on police and army, in which five police officers were killed this year alone, have been committed by ethnic Albanians during the same period.

Under the Yugoslav constitution and international regulations, ethnic Albanians were a minority, do not have the right to a self-determination and secession, which they have been informed about by foreign officials on several occasions.

